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ECONOMIC REVIEW

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AUSTRALIA AND THE DYNAMIC FORCES IN ASIA

In all recorded history there has never been so vast a release of dynamic forces as is now developing in the lands lying between the Indian Ocean and the vast expanses of the Pacific. Countries of the Commonwealth bestride that area, with its teeming, resurgent population. The Australian Continent forms its southern bastion and in a more positive and constructive way than any of the other lands shares in these dynamic impulses.

To Hongkong and South-East Asia, Australia has become nearer in contacts of all sorts, in vision and in spirit than ever before. And the Australians themselves are conscious as never before of the Near North—the expressive phrase which has supplanted there the old, conventional idea of the "Far East." Her leaders have often, in the post-war period, proclaimed that Australia's destiny as a nation is irrevocably conditioned by what takes place in Asia. Australian political consciousness and foreign policy have been increasingly orientated toward this part of the world. The three exceptionally able statesmen who have successively directed Australia's external relations since the end of the war have all spoken with one voice on this matter, and but lately the present Minister of External Affairs made an extended tour of the countries of this region to see things for himself.

One of the outstanding expressions of Australian policy was the Spender Plan, which was put forward at the Colombo Conference in January, 1950. The underlying idea was first propagated by Mr. Spender's predecessor, Dr. Evatt. Basically the conception was dominated by the idea that the best way of counteracting the spread of Communism was to develop as swiftly as possible the economy and living standards of South and South-East Asia. It is not, of course, the whole answer, but it is a good part of it, and has the supreme merit of being constructive—of building up instead of breaking down. There is about it much the same evolutionary approach characteristic of what many people call the silent revolution in the United Kingdom since the war.

On this approach there is little disagreement between the countries of the Commonwealth, and when the Spender Plan became the Colombo Plan by the slight adjustments required to dovetail it with a Ceylonese proposal, it was accepted by the Commonwealth Conference with considerable enthusiasm. The plan established priorities for South-East Asia's needs. Food and consumers' goods came first, technical advice and aid second, and capital equipment third, with capital available in Sterling credits.

There is a certain rivalry in outlook and difference in nuances between India and Australia, but these two great components of the Commonwealth are at one on basic essentials in an era when events are happening on a tremendous scale, and only the large issues really count.

It was in 1947 that Dr. Evatt spoke hopefully of a "spectacular growth" in the exchange of Australian products for the raw materials of the very rich productive areas of South-East Asia. Every possible encouragement has been given to Australian traders to develop economic exchanges, and Australia's trade with Asia has grown greatly since the war. It touches places like Singapore and Hongkong with peculiar intimacy, for much of the food they must import comes from Australia. Ship-

ping lines have expanded and the strange and almost exotic journey of a decade ago between Australia and her northern neighbours is now a commonplace. People step aboard a passenger ship here and can walk the streets of the great metropolis of Sydney 12 days later. There is now a constant flow of people both ways, and personal ties have grown with the many other links that bind the mutual interest and concerns of Australia and her Near North.

Nobody who has visited Australia can fail to be impressed by her immense potentialities, or by the rapidity of her progress. It is no longer merely a land of wheat and wool, though they are still the major earners. Side by side with the agricultural and pastoral pursuits which laid the foundations of her progress, secondary industries have grown up on an extraordinary scale, and have come to stay. Heavy industry, too, is shaping for a similar advance when great projects like the Snowy River provide the requisite power.

Immigration has increased by leaps and bounds since the war, and the problems to which the new influx gives rise are being tackled with increasing efficiency and far-sightedness. There are problems of inflation there as in all other industrial countries, but in Australia they arise chiefly from an expanding economy, not from more debilitating causes. In some ways Australia's immediate problems have altered. Not long ago the clamant need was for more people. Now, after the long war and the expansion of industry thereafter, the need is for houses to accommodate them, for the difficulties in this respect derive from the timelag and the concentration on other things.

But this new and swiftly growing centre of the British way, of life on the other side of the world from where it originated, is pulsating with energy and confidence in the future. It is attracting the interest of American investors, who see in it another "Canada" of opportunity, in whose growth American capital played a great part. And though Britain has less capital to spare than in the years before the war, much British capital has gone and is still going there.

The Pacific Pact links Australia with the United States in Pacific defence, and Australia's membership of the Commonwealth unites her with her fellow-members in Asia and in other parts of the world. Australians enjoy as their proudest inheritance their kinship with the Motherland and the heritage of all that England created in the centuries she adorned with her Parliamentary and legal systems, her progressive democracy, her poetry and literature, her history, and, not least, the prowess of her strong young men in the sternest tests of the battlefield.

HONGKONG'S TRADE OUTLOOK

The commercial future of Hongkong depends on the return of normalcy in Anglo-Chinese relations. As Britain is, though recognising Peking, not in agreement with the policies pursued by the Chinese government and is allied with the US who is rearming to meet the Soviet challenge all over the globe, a rapprochement cannot be expected at the present juncture. Accordingly, Hongkong's overall economic situation is bound to suffer from conditions imposed by world political forces over which this small colony has no control—and which it cannot influence one way or the other. It would be in the best interests of Hongkong—that means the trading community—if commercial relations with China (Peking and Taipeh) were smooth and unencumbered by restrictions. Unfortunately there is a trade war on and war preparations continue at high speed. In such an atmosphere one cannot well expect normalisation of Hongkong-China commerce.

How can we hope to have better relations with China, that means the China as ruled by the communists? First, the war in Korea must be stopped and the parties at war must agree on a settlement of the Korean "question." The communist forces which intervened in Korea have been branded aggressors by the UN and therefore it would appear an act of appeasement if an agreement on Korea were to be made with these aggressors; but facts are stronger than words and so one has to recognise that communist China could afford to challenge the UN and to get away with it—all because there looms at the back the power of Russia which is as yet not fully matched by the powers of the allies as gathered around the US. Whether the Kremlin is in favor of a settlement of the Korean 'question' may be doubted; the communists have nothing to gain from restraining themselves from 'liberating' the whole of Korea, they would only play into the hands of the 'imperialists' by allowing them more time to prepare themselves against the real peril of our time—Soviet imperialism. So it might be assumed that the Korean "question" will remain unsolved, that over an agreed military demarcation line the two Koreas will face each other, always on the ready. A real settlement in Korea can only be hoped for if Moscow and Washington eventually agree on other, principal questions.

Secondly, the Peking regime must be permitted to replace the Nationalist government in the UN. Such a step would involve the raising of the Taiwan "question" and would involve possible acts of war (invasion of Taiwan by communists). It is conceivable that after some sort of agreement has been reached in Korea the matter of Peking's admission to the UN seat now occupied by the Nationalist regime may be considered in a new light—the light

of appeasement. Can it be anticipated that the US will be compelled to compromise on this question, and will abandon Taiwan? Now being near the zenith of her military power and approaching an almost perfect degree of preparedness, far in advance of any nation in the modern world and ever faster developing her astounding technology, attracting at the same time the best scientific brains of the world, the US should not be expected to change its policy not even if more gentle pressure is being brought to bear on her by less resourceful and self-confident allies. The US cannot retreat from its firm stand. In spite of criticism and often sarcastic comment heard in all democratic countries with regard to US policy in this age of cold war, there is unity of purpose and action in the highest quarters; and all hopes entertained in Moscow and elsewhere in the communist world that there can be a rift among the principal democratic nations will prove futile. There is discussion and opposition as it befits free nations but when decisions are to be reached there is, in their own and best self-interest, fullest accord and united action. Ultimately policy is made, after due consultation among all the free nations, in Washington—just as it is made, for the communist camp, in Moscow.

Can one then expect an improvement in the outlook for Hongkong's trade with China? To a moderate degree one can do so. There are now many embargoes on exports to China, originally imposed by the US, later adopted by many free nations and eventually also, with some modifications, by Britain—which includes the Empire as well. The Chinese intervention in Korea brought in its train the present state of affairs. Peking was constrained to do more business with the rouble bloc countries and as the trade war intensifies this trend is ever more pronounced. However China must exchange her produce and other goods with other than "People's republics" as she cannot find accommodation of her needs solely within the rouble bloc area. It is much more in the interest of communist China to obtain goods from the industrialised countries in East and West than in the interest of Britain, France, the Netherlands etc., not to mention America, to buy China's produce. Trade therefore will continue between the "two worlds" and as far as China's exports and imports are concerned, much of them will be routed through Hongkong. In the present period of world tension—a period which may last for a long time until a genuine and sincere settlement has been arrived at between the two protagonists of the great struggle—Hongkong will prove of service to China, as it has done also in the past century and it will also prove of great utility to the economies of the free nations—perhaps not of all of them but certainly the majority. The exchange of commodities will be controlled and sifted and it will often prove, as in fact it does these days, very tiring to get clearances and permits of all sorts, and to satisfy the trade authorities as to the bona fides of applicant and his intentions. There remains a great range of non-controlled, so-called unessential commodities, which can be freely exchanged. The overall purpose of controls, on both sides, is to prevent the potential enemy from obtaining such goods which could be turned into war materials or could assist in the production of such materials. The interpretation of "unessential commodity" is very difficult and it varies from time to time. In the final analysis almost any commodity can be termed, from a war strategist's point of view, essential but as yet we have not reached this stage of madness. Flow of trade, luckily for Hongkong which lives and thrives on its entrepot business, remains largely uninterrupted though the trend is disturbing, pointing towards gradual diminution. The trouble is that China's import requirements are exactly such as to fit the prohibited list of Britain and other allied nations—not to mention the US who has practically cut trade relations with communist China. On the other hand there is some demand for China's minerals but they are, as well as many other "essential" items, export-barred by Peking or otherwise the exportable quantity has been reduced to almost token limits.

British manufacturers have been inclined to take a pessimistic view of potential exports to China. Since the 1946 Trade Mission (under Sir Leslie Boyce's leadership) which produced a most comprehensive report British traders with interests in China have been hovering between indifference and confidence in China's potentialities. They hoped to ship to China capital goods which were believed to be in great demand by industrialising China, and also so-called specialised durable consumer goods; in return they wanted to purchase foodstuffs, woodoil, silk, bristles and minerals. It was realised in London that other nations were also strongly competing in the field of capital equipment such as was programmed by China for importation (e.g. communications, hydro-electric, heavy industrial, irrigation, aviation equipment). Some apprehension was voiced by far-seeing businessmen: China's industrialisation would lead to an intensification of competition in Asian markets. What appraisal of the trade situation was, in 1946, made had to be revised when the communists took over, in 1949, and especially when the intervention in Korea occurred, end of 1950. With the crystalisation of the foreign policy of the US and signs of more aggressive acts by Moscow, the world over, the optimists were proved wrong. China is guided and goaded away from the democracies and trade these days is ever more state controlled and shaped into a weapon.

London is facing a dilemma; while all traders agree that business with China would be most desirable, an agreement which is emphatically endorsed by Hongkong, the considerations of overall policy and strategy weigh heavily, and in the end it may be not possible to improve trading conditions as a result of the persisting tension and the cold war. However the Hongkong citizen—meaning the peoples of all nationalities, though almost 99% Chinese, crowded together in this place—does not take a gloomy view. He has seen ups and downs, and he has confidence that he will come out on top

of all difficulties. Thanks to the immigration from China, this place has developed to the amazement of everybody, and it still grows at a sensational pace. There will be trade with China—that's what they also say and believe in little Macao, an economic suburb of Hongkong—within the scope permitted by London and Peking, there will be entrepot business with all Far Eastern countries, on an expanded scale, and there will be more local production, from poultry farming to steel rolling. New ventures will spring up; perhaps, after all, tourism will be actively promoted.

ASIA'S RACE TO CATCH UP

A Chinese historian and critic complained in a postwar work that a hundred years ago, looking at Western civilization, China could see its dust but couldn't catch up with it. A hundred years later, he added, China is still following the procession from afar, and "truly we feel ashamed to face our ancestors." The invocation is strange in such a context and yet even the most ardent revolutionary can never wholly forget the past in the future—a tendency which is bound to have its effects on the ultimate synthesis and the evolution of a system of living that is an intelligent and proud amalgam of old and new.

Actually it is wrong to think of wasted years. Adaptation has been going on all the time, sometimes imperceptibly. And in spite of many indications to the contrary, that is still the essential technique, for the Chinese can have neither wholly Western nor wholly Russian solutions to the problems of their own time and environment. The pace in the past has, it is true, been inordinately slow compared, say, with the example set by Japan where transformation was ordered, disciplined, and directed from above. It is now being greatly speeded up.

In his New Democracy Mao Tse-tung laid it down most emphatically that the new culture must be essentially Chinese whatever the instruments or models used in shaping this pattern. There can be no quarrel with that principle. The Chinese are a great and creative people and in the future as in the past they may evolve out of their own experience and solutions valuable lessons for all mankind. Choice as much as the accident of circumstances dictated a major reliance upon the Soviet model at the present juncture. The choice was not made without criticism or misgivings. At the conferences which preceded the formation of the People's Government in Peking reference was made to criticisms of this choice on the ground of Russian backwardness. That feeling no doubt still exists. It will be remembered that three young Chinese students in Japan about the time of the first Revolution suddenly decided that they didn't want their modern education at second hand and accordingly penniless as they were made their way to Britain and made a great success of their careers both academically and in after-life in China.

The Soviet model has one advantage and one only. In spite of the dreary material conditions of life in the Soviet Union and the ruthless suppression of all those rights and liberties for which men and nations have fought again and again, it possesses a spiritual appeal which neither the evolutionary social policy in Britain nor the gigantic growth in wealth, production and power of the United States is able at present to exert. How long this peculiar hold will endure remains to be seen. Perhaps the only cure for it in many areas is to pass through the phase, and disillusionment take the place of current illusions.

Both Lenin and Stalin, at critical periods, gave Marxism an interpretation which changed the course of the revolution and of history. It was in both cases an imposition of their own ideas upon Marxism. In due course the Chinese leaders will do the same with Stalinism as Lenin did to Marxism. But that depends very largely on how long they are isolated or isolate themselves from the main current of Western activity. Despite the heresies of the Soviet Revolution and the twists given to events by intense political controversies and other circumstances it is still true that the leaven which worked upon the lump of Russian backwardness was essentially European and there is an ironic sense in which Russian Communists are Western missionaries ruthlessly imposing a political doctrine upon a people to whom it had been quite alien. In fact the strangest thing of all is that the transformation of Asia all the way from Ankara to Tokyo rested upon Western ideas. Neither political ideas nor ideologies have emerged in Africa or Asia. The dynamic, transforming ideas of the entire world are, like the revolutionary technologies, the creation of the West. The first condition of success for the Bolsheviks, as they themselves saw it at first, was union with the West until Stalin developed the idea that the West could be dispensed with. Nothing was more calculated to flatter the incipient nationalism of the Russians and to reconcile the leadership to the great grey mass of the steppes against which they had lately been waging war. Thus came about the marriage of the Russian Empire to an alien ideology. Bolshevism hardened and became an orthodoxy which went on repeating the same lessons until it became empty of all content. The Russians russified the Marxist revolution and made it their own. The Chinese will do the same. The backgrounds however differ a great deal.

Presumably Peking will take care to learn from the vast mistakes the Russians made no less than from the forms of organisation which the revolution developed. The main thing is that in the degree in which Russia was able to shut out the tumultuous creativeness of the West, creativity withered, thinking decayed, arts became servile and repetitious, Russian controversies medieval, and her contributions to the world ceased and her humanity suffocated. Russia claims to have invented everything, and the very fantasy explains the vacuum of which the Russian leaders are so acutely conscious. The old Russians did make their contributions to science, music and literature, and some of them were great. The new Russians apart from one or two composers have given nothing at all. Even the composers who need absolute freedom more than all others have had to conform to ideas set by political doctrinaires.

The moral is fairly clear. The time must come when reinvigoration of the basic creative impulses will not only be essential but will be seen to be essential. Meanwhile it is natural that the pressing needs of the moment and of the setting up of the new framework for social and economic advancement exclude preoccupation with other things. But time marches on. A discovery in a university laboratory may give rise within a decade or two to a great new industry throughout the world or revolutionise practice in an established industry. Science has made it possible for more people to live and to live longer. Now it is called upon to enable them to live more abundantly.

RETRENCHMENT & PRODUCTION IN CHINA

Chinese economy is still in the process of levelling down rather than levelling up. The Korean war and the huge number of men in the army and the militia make the slow and painful business of pulling up the nation by its bootstraps even more difficult. Her standards have been for years the lowest of all the great civilised nations except in the great Treaty Ports to which most of the wealth had gravitated before the exodus deprived even these centres of so much of it and a large part of the educated, enterprising and experienced personnel. The enthusiasm of the youth, the driving of the labour force to longer hours and more intensive labours and the unprecedented order and control after a generation of civil wars, disorders and invasion are creative only in a minor degree.

The existing standards are more like those during the Japanese occupation than in the middle 'thirties. One of the most conspicuous of current phenomena is the effort to transform many industries and trades which ministered to middle-class economy to the needs of the peasants. It is a process that goes right down to the individual and those who were in China when the Japanese sealed up all Allied enterprises and threw many thousands of Chinese into idleness will realise how painful it is. Many of them can find no other means of existence than to become peddlers or if they have capital or friends to open more shops to sell the same things already sold in too many others. The problems to which these give rise are already acute in the big cities like Shanghai and Canton.

Retrenchment in this and other directions vies with the incessant propaganda for more production. Almost from the beginning of the People's Government and certainly since the Korean intervention the local authorities have been deprived of all funds save those required to keep the machine going, and municipal development is therefore at a standstill. Even maintenance of normal standards is difficult.

Mr. Chen Yun, as the responsible Minister, naturally puts the best face he can upon the situation. But when he cited his percentage figures for output in heavy industry he took the output for 1950 as the basis (100). Output for that year was in fact not a great deal ahead of the figures for 1949, which were catastrophically low for the civil war had upset the whole country. Compared with the highest pre-war levels (100) production for 1949 was: Pig-iron, 10. Steel ingots 15.8. Steel materials 17.8. Coal 44.5. Electric power 72.3. Cement 30.9. Cotton yarn 72.4. Cotton cloth 72.6. Paper 89.5. Flour 77.6.

The progress that has been made especially in the North-East is still remarkable in the light of all the circumstances—the transformation of the nature of economy, the upheaval of land reforms and the natural disasters which came one upon another. In one or two instances they were of a magnitude unprecedented for a century.

The Chairman of the Committee on Financial and Economic Affairs, Mr. Chen Yun, claimed that in spite of the demands caused by the conflict in Korea, "significant progress" had been made in agriculture, industry, and commerce. He was reporting to the third session of the National Committee of the People's Political Consultative Conference in Peking. He said it was a fact of "enormous significance" that so far from having a setback in consequence of this struggle the people's economy had received an impetus. The main important grain areas had excellent harvests except in Kiangsi province, where it was only fair. The autumn harvests are expected to surpass last year's. Cotton fields had been greatly expanded and previous records had been broken. Tobacco, hemp, tea and silk had also shown a rise in output compared with last year. "This year," he went on, "nature was not so kind as last. A few places in the north have suffered from drought and flood." Presumably this somewhat slighting reference is to the drought and to the floods in the Liao Valley in Manchuria last summer when even the railways were out of action for a week. It is one of the principal soya bean areas but except for kaoliang does not produce much grain.

Chen Yun attributed the fact that the total grain output exceeded last year's to three causes: (1) expansion of production as a result of land reforms and aid by the Government and cooperatives which had sold the farmers much more fertiliser than previously. (2) Conservancy and irrigation work on which huge sums had been spent in the last two years which minimised the flood danger and increased the amount of irrigated land. (3) Great efforts by the Government to guide the peasants and to promote mutual-aid teams.

In iron, steel, coal and electricity, taking last year's production as 100, this year's output would reach the following figures: Pig iron 131; steel ingots 142; finished steel 178; coal 118; and electricity 122. In light industries production of cotton yarn and cloth, gunny bags, paper, flour, cigarettes and matches had risen. Cotton yarn and cloth had increased less than 10% but all other items were up by 20% to 35%. The increase in output proved that China's domestic market had expanded. Increase in rate of operation, repair of old machinery and the rise in labour productivity were responsible for better output. The enthusiastic movement for increased production was in full swing and the government were grateful to the workers and office personnel for their keen patriotism. From January to June this year more than 28,600 new trading concerns were opened as against the 7,370 old concerns which suspended operations in six major cities. The exchange of goods between city and countryside was a reason for the restoration of commerce. In June 1950 the unemployed and semi-unemployed workers and professionals in 29 cities totalled 1,660,000. By the end of 1950 it was cut to 610,000 and by the end of July 1951 to 450,000. At present there is a deficiency not a surplus of technicians, skilled workers and intellectuals of high school standard and above.

Investment for national economic construction in 1952 will primarily concentrate on national defence while water conservancy will be continued. Further steps will be taken to promote trade between city and countryside, to promote foreign trade and to continue financial and price stability. The strengthening of national defence means that a certain amount of finance which might have been used in economic, cultural and other fields must be diverted to national defence needs. Even so this year investment in economic construction and cultural activities will exceed last year's. Both national expenditure and national income had increased this year. Currency issued had not exceeded the volume required by the market by reason of developments in industry and commerce. The rate of increase was not greater than last year's. Therefore, financial and price stability can in the main be insured. The living conditions of the majority of the people have been improved. To practise economy and increase production are important parts of the financial policy. A movement would be launched on a national scale for these objects.

COMPARISONS OF PROGRESS

(NOTES ON ECONOMIC DEVELOPMENT IN VARIOUS COUNTRIES)

By Professor E. Stuart Kirby

The present series of notes is intended to record and comment on interesting and significant items of technical and economic progress all over the world, as and when they occur. The first of the series was published in the FAR EASTERN ECONOMIC REVIEW on November 1st, 1951, and dealt with current Development Plans in French West Africa. Today's note deals with measures nearer home, for the improvement of the basic Far Eastern foodstuff—rice.

II. THE IMPROVEMENT OF RICE GRAINS

The Indian Government's Central Rice Institute at Cuttack—nearly 200 miles south-east of Calcutta, in the main rice-growing area of India—is the centre for a remarkable and specially important scheme of technical cooperation on an international basis. India and eight other rice-growing countries are working on a permanent programme of breeding of rice varieties, selection of types and exchange of seeds, which began in 1950.

The main project is sometimes described as the "hybridisation" scheme, referring to the aim of cross-breeding the "japonica" type of rice with the "indica" type. The former is the round-grained variety of this cereal, the latter is the long-grained one. The shape does not of course matter greatly in itself—though the size does. The point now desired is to combine the best qualities of each type. The virtue of the japonica rice is its high fertility and yield. The advantages of the indica are its vigorous growth and its adaptability to varying conditions of soil and to varying methods of cultivation. In both these respects, the widest possible variation of conditions has to be reckoned with, all over south and south-east Asia.

Success, in this one main experiment alone, could revolutionise the food supply situation in the whole of Asia—and therefore in the world. Research stations of this type have in the past transformed the world situation, in respect of many other staple food crops, by just this sort of work of experiment and adaptation, which is capable of doubling and trebling the effectiveness of present agricultural efforts.

But it can only be achieved by full and friendly international collaboration. Each country must put into the common pool of material and knowledge, all that it can contribute, and there must be entire freedom of scientific thought, communication and experiment, for all the experts concerned.

This, surely, is the ultimate and conclusive reason why the totalitarian countries—or any other separatist bloc of states—must fail, and can never keep up with the progress of the free group of nations in the rest of the world. The totalitarians deliberately limit the geographical area from which their information is drawn. Their espionage network, however large and active abroad, is a poor substitute for the willing collaboration of scientists and the sharing of facilities.

But this self-imposed limitation of the extent of information is only part of their handicap. They go much further: because they allow, within their own borders, only one interpretation of the data. An extremely low tide, from the point of view of the prospects of scientific progress, has recently been reached in Russia. The name of Lysenko suddenly achieved worldwide prominence, in a curious way. There had been a high-level national conference of the best Soviet scientists in the fields of genetics and associated studies. One of them named Lysenko had advocated certain theories. These may or may not have been correct; there was at any rate, at the conference in question, considerable dissent from his views. But Lysenko concluded his final speech by reading aloud a message (to himself) from the Party Central Committee, which made clear that this Supreme Authority (speaking in the name of Stalin, who is the greatest scientist the world has ever known) fully endorsed the theories of Comrade Lysenko.

After a moment's silence, while the meaning of this statement sank in, the meeting proceeded with undignified haste to pass unanimous resolutions praising Comrade Lysenko's thesis. Soon delegate after delegate was on his feet, explaining that what he had previously said was on no account to be misinterpreted as disagreement with the epoch-making discoveries of Comrade Lysenko.

How far is China now from this ludicrous but tragic low-point of intellectual servitude? Still some distance, perhaps—but hastening in that direction with alarming rapidity.

Let us keep to the problem of the improvement of rice-grains, as an illustration. The idea that Russia should be able to impart any information to China on this topic is indeed rather like the proverbial child "teaching its grandmother to suck eggs." Nevertheless it is already inadvisable, on the one hand, for anyone in China today to dare to suggest that the Russians do not know all the answers, in any field of technology whatsoever. On the other hand it is equally provocative of uncomfortable consequences, in China today, for anyone to venture to suggest that anything is to be learnt from foreigners on the "Imperialist" side of the Iron Curtain.

Rice is grown on a small total area, in various of the less important and more peripheral districts of the Soviet Union; it is unlikely to be a serious subject of research in the more central communities of that enlightened state. The yield in Russia is under 17 bushels per acre, compared with 53 in China, 26 in India, 76 in Japan, and 50 in the U.S.A. according to the figures of the respective governments themselves.

If the cultural and technical isolation of China persists, the inevitable result is backwardness in the

field of technical information. If there are to be, in addition, Russian-type political controls and puppet-shows in the Lysenko manner, then China's mental and technological prospects are extremely dim. Those with the most knowledge of actual conditions in China today, will best be able to estimate the political distance yet to be travelled before Chinese have to taste this new variety of national humiliation.

Already it is evident that, administratively, any attempt to gather information inside China, on the crop situation or any other technical matter whatever, is at present impossible: anyone doing so would be charged with spying for America. The students of Nanking University have recently been officially informed that the celebrated rural surveys of Dr. J. Lossing Buck in the 1930's were carried out on behalf of the American General Staff. Such fantastic feats of evil thinking have not yet been equalled elsewhere: not even the worst of the contemporary witch-hunters in the United States has descended to the same form of accusation, as a rule —nor do those American elements represent, by any manner of means, any official or public authority.

* * *

Efforts like those of the Cuttack Rice Institute are, by comparison, refreshingly rational, constructive and promising. The brief account given above of the cross-breeding experiment furnishes only a summary characterisation of the project, which has many aspects and complications. The rice growing countries throughout the free world—where they are found in every continent, and represent many different physical and social conditions, offering a tremendous width of experience—have contributed seeds from their best local varieties of the rice plant, together with plenty of technical information.

These seeds from all the partner countries have been planted at Cuttack, and crosses are being made from their yield. After the seed from the crosses is harvested in its turn, it will go back to the countries which sent the parent stocks, for testing there. The second generation of the hybrid strains will have to undergo still more extensive testing. The scheme was launched at what was (perhaps rather unhumorously) called a "Rice Breeders' Working Party," at Rangoon early in 1950, which was attended by rice growers from Burma, Ceylon, India, Indochina, Indonesia, Japan, Malaya, Thailand and the United States, and by representatives of Egypt and the Philippines.

The Institute at Cuttack is still in the earlier stages of its development. It is a postwar foundation, dating only from 1946. Apart from the hybridisation scheme, however, it is already providing extensive services, and is becomng a worldwide centre and clearing-house for all information about rice, and for assistance to rice growers. It maintains permanently a large collection of genetic stocks; more than 3,000 have been collected, and are freely sent to all parts of the world.

Further research, collation of results and experiment, will carry the prospects into a much wider field than that of. improving the quality of the rice plant itself, and will involve both short-term and long-term considerations. The merits of the various types of fertiliser have been carefully studied, both in the laboratory and in field demonstrations.

The Institute showed the feasibility of getting a second crop every year in the canal-irrigated zone of India, scientifically proving what was the best time for planting the second crop, and achieving repeated improvements in its quality and quantity. Plant diseases have been another field of specialist investigation; here again the emphasis has so far been on breeding, to evolve new types specially resistant to the most important diseases of rice—blast and leaf spot. Some 800 varieties have been tested for their susceptibility to these infections.

There is one other field of study which has also been taken up by this Institute: viz. treatment of the seeds while they are in storage, and methods of storing which protect them against the pests which cause so much damage and loss in the godowns and barns. Loss and infestation during storage and transit cause a tremendous diminution every day and every year, all over Asia, of the food that is a matter of life and death for the people. This represents an appalling amount of suffering and starvation—which could be avoided. Is there anyone in China bold enough to suggest that the real "defence of the people" lies in just such directions as these, and is not to be sought in political imaginings among the mountains of the moon?

DEVELOPMENT & PROGRESS OF AUSTRALIA

A critical question of policy for the Australian Commonwealth today is to determine the maximum rate of growth which it is possible to achieve over the next few years, so that she may best prepare herself for the great opportunities and responsibilities of trade and defence in the Pacific area.

Australia's development from an outpost of Empire to a modern industrialised nation has been rapid. After the early difficulties of the new colony the wool industry took advantage of plentiful land and labour-hunger, combined with shortage of wool for the textile factories of England. After the Blue Mountains had been crossed, large-scale pastoral pursuits flourished, unhindered by any competitive use of the land except as aboriginal hunting grounds.

Major metal discoveries soon brought great wealth and population. In the early eighteen-forties copper was found in South Australia, followed by the important gold discoveries of the early 'fifties. After the first flush of alluvial gold gave way to deeper mining by companies employing large capital, many "diggers" sought alternative livelihoods. Pressure arose to "unlock the land" for closer settlement and

agriculture. In the 'seventies miners were attracted to Tasmania's tin deposits at Mt. Bischoff, in 1883 to the world's greatest silver-lead deposits at Broken Hill, from which nearly £200 million worth of base metals has been extracted, in the early 'eighties to Mount Morgan's gold and copper, in 1886 to Mount Lyell's copper, and in 1890 Western Australia achieved her share of prosperity from gold in Kalgoorlie's Golden Mile.

Increasing populations provided expanding demand for manufactures. In the 'sixties Victoria adopted deliberate tariff protection and was followed to some degree in other colonies, with the exception of free-trade New South Wales. Population grew from about 2.2 million in 1881 to 3.2 million in 1891, representing the unusually high rate of growth of 3.5% a year over the decade.

By the early 'nineties, after the practical limits of extensive pastoral and agricultural exploitation had been reached, a very severe depression followed a land boom. This long-to-be-remembered chastisement reminded Australians that they were settled around a dry interior, whose invasion was hazardous and required specialised skill in management. The 'nineties saw population rise by about half a million — an annual rate of increase of only 1.7%. In sheep population, it took thirty years to restore the peak of 106 million reached in 1891. As the economy recovered, wool and wheat remained our major products, but a more varied economy was developing with dairying, horticulture, forestry and mining, and the steady growth of manufactures and service industries.

The Period After the First World War

Population grew to 4½ million by 1911 — a rate of growth of less than 1.7% a year over the decade. Steelworks were established at Newcastle (New South Wales) in 1915 and the 1914-18 war marked a turning point in the pace of manufacturing development, many industries being established to replace imports denied by the effects of the war. Australia took the deliberate path toward self-sufficiency and reaped the benefits of the Continent-wide free trade resulting from Federation of the States. Inflow of population was now less a response to fortuitous discoveries of minerals or other unsuspected primary wealth, than to more sober opportunities being deliberately revealed by a national programme of development.

In 1921 the Commonwealth Tariff Board was established to make a scientific appraisement of industrial opportunities, to promote optimum use of resources, guaranteeing the necessities of survival in case of another war and promoting employment and population.

An optimistic mood was encouraged by the fact that the decade to 1921 had seen an annual rate of population growth of more than 2% to a total of nearly 5½ million and the 40 years since 1881 had recorded a rate of 2.2% a year — second only to New Zealand.

High prices for Australian exports provided good credit for heavy borrowing abroad and high purchasing power for imports. Although considerable industrialisation had been achieved by the end of the 'twenties, prosperity was still largely dependent on success in oversea markets. Only about a quarter of employment depended on production for export, but this sector determined how much Australians could spend on imports and governed the country's credit for borrowing. Thus, when world trading conditions deteriorated, Australia's ability to import goods and capital was cut back in greater proportion than her total national income. By the time the census had been taken in 1933, after recovery from depression, it showed a much reduced rate of population growth — 1.63% a year since 1921.

The objective of self-sufficiency was further confirmed by the depression experience and secondary industries continued to gain in variety and output. The Australian steel industry was now meeting domestic needs and in the 'thirties Australian textile manufacturers gained most of the domestic market. The base metal industries had by now discovered processes for handling the complex ores found in such variety. The paper industry, having succeeded in producing paper from the short-fibred eucalypt in defiance of world experience, had, by the late 'thirties, achieved regular production of many types of paper and boards. Most Australian manufacturing industry was developed and controlled by the local entrepreneur, financed by Australian capital, in contrast with earlier stages which were largely financed by English capital, e.g., through the large pastoral companies. However, the tariff and the growing domestic market caused many English and American companies to set up branch or subsidiary activities within the tariff wall. This was a development of great value for the techniques and technicians it brought.

The Period of the Second World War

Australia thus had a firm industrial basis for supplying many essential needs of modern war in World War II, including a wide range of supplies for the Allied forces in the later stages of Pacific operations. In the year before the war, value of factory production had already come to exceed the value of primary production and this was accentuated during the war, only to be reversed as a result of high prices received in post-war years for primary products. The number of factories increased from 27,000 in 1938-39 to 40,000 ten years later.

The most spectacular expansion was probably in engineering and related activities, based on the steel industry, which was now supplying a product as cheap as any steel in the world. In the decade from 1939 the net value of production of "Industrial metals, machines, Implements and Conveyances" roughly trebled.

Highlights in the wartime industrial expansion included establishment early in the war of a blast furnace at Whyalla (South Australia), enabling pig iron to be produced there. The shipbuilding programme, begun in 1941, has produced vessels, including destroyers, corvettes and freighters, while Whyalla slipways can now handle vessels of up to 22,000 tons. Machine tools used to be imported before the war, but Australia now makes most of the tools required for her engineering industries. This is reflected in the output of such items as tractors, automobiles, earth-moving equipment, diesel engines, pumps, and a wide range of electrical plant. Whyalla has been the main source of iron ore, but quite recently shipments of ore have been made from Yampi Sound in the far north-west, where large-scale handling plant, designed and built in Australia, is now in operation.

The Australian chemical industry, which had its beginnings last century in manufacturing fertiliser, also achieved considerable advance over the war period, on both the industrial and pharmaceutical fronts, and Australia's large and varied output of plastics is one of the evidences. The optical glass and optical instrument industry was another to show great growth, now supplying most essential needs in these directions. The paper industry carried on its development to supply many types of paper, including newsprint made from Australian hardwood, although not in quantities sufficient to meet total domestic demands. In textiles, local manufacture now includes the major phases of spinning, weaving and making-up, to produce the full range of essential items of clothing, furnishings and floor coverings. Australian manufacturers attained a high point of using 22% of the wool sold in Australia in 1946-47, compared with 13% in 1938-39.

Meanwhile primary industries had not shown spectacular growth. As early as the years immediately following World War I, disappointments had been encountered in settling returned soldiers. There followed an increasing recognition of

the need for scientific study of soils, plants and animals to guide future intensification of use of Australia's natural resources. The new frontiers were in the scientific laboratories, field research stations and marketing studies. A major step was formation of the Council for Scientific and Industrial Research by the Commonwealth in 1926, which counted among its early spectacular successes the conquest of "prickly pear" which had rendered useless certain large inland areas of southern Queensland. Another characteristic of primary producing industries in the 'thirties was the establishment of marketing schemes of various kinds, with the general object of stabilising returns to the producers, and offsetting the uncertainty of world markets, which had had such serious effects in the early 'thirties.

Employment in primary production was no longer showing any considerable expansion and during the war years actually declined. Production was largely maintained by increased use of machinery and improved techniques, an evolution which had been gradually raising output of primary produce per head of rural population for many years. As a result of the slower rate of expansion in the late 'thirties and the dislocations and losses of war, the postwar census in 1947 recorded an annual rate of growth of the Australian population, since the previous census, of less than 1% a year, bringing the total to 7½ million.

Changed Patterns

The long-term change in the balance of Australian industry, a logical development of rising living standards and of the experiences of depressions and war, featured a swing toward manufacturing and service industries at the expense of primary production and an accompanying swing in population to the cities. Thus we find that in 1947 primary production accounted for 20% of Australian employment, compared with 23% in 1933 and about 27% in 1921, while manufacturing employed 27% in 1947 compared with only 19% in 1933. We find, too, that 51% of the population was living in the major metropolitan areas in 1947 compared with 47% in 1933 and 43% in 1921; 18% lived in provincial cities compared with 17% in 1933 and 19% in 1921; and only 31% lived in rural districts against 36% in 1933 and 37% in 1921.

The other characteristic of growth, so important for the future, is that new developments were increasingly dependent on research and provision of costly capital equipment. Thus transport and irrigation were necessary to extend areas of cultivation, conversion of pastoral lands to crops required much fertiliser and breeding of new types of wheat, butter factories were sometimes pre-requisites to establishing a sound dairy industry in lands previously used for extensive agriculture.

Development of Resources

What are the possibilities for further use of Australia's resources in primary production? This problem has become more vital in view of the need to feed a rapidly increasing postwar population. In the field of agriculture, it has been estimated that Australia's main crop, wheat, cannot safely be maintained much above 12 million acres with present techniques, although there have been seasons when considerably larger acreage was planted to this crop. The future seems to call for more varied use of marginal wheat lands, accompanied by improved rotations and the running of more sheep for fat lamb production, which would help preserve land fertility and provide a broader economic base for the producer. As far as Northern Australia is concerned, expert opinion suggests that in the absence of irrigation agriculture would be seasonal in character and localised on alluvial valley soils. Irrigation possibilities in the north appear to be confined to relatively small areas, including coastal swamps near the mouths of the great rivers emptying to the north and north-west, which need drainage, and certain coastal areas in Queensland where the soils demand considerable study if their best use is to be found.

The geographers point out that Australia's water supplies are too limited for very considerable expansion of irrigation, though there are large areas of land suitable for irrigation. The Murray-Murrumbidgee catchment contains the largest river system in Australia, with an area of 414,000 square miles, but its annual average rainfall is only 17 inches. This supply has already been largely drawn on, but further works are under way. The Great Artesian Basin, which covers a fifth of Australia, is already supplying 5,000 bores, delivering over 300 million gallons of water daily for watering stock.

Possibilities for extension of irrigation are not so much to open up entirely new areas of magnitude, as to provide permanent water supplies in marginal areas of unreliable rainfall, assuring water for domestic and stock purposes, which would enable mixed farming to develop in what were previously one-industry districts, broadening the basis of production by establishing a greater variety of products and thus achieving more intensive use of resources. Such steps should contribute to the stability of rural incomes and to future food supplies and population. Major development schemes to provide more water and electric power find their justification in such objectives.

Australia at the present time carries nearly 120 million sheep, growing a quarter of the world's wool, a third of the world's clothing wool and half the world's merino wool.

Critical for both primary and secondary industry and for good living conditions is the supply of power. Power engineers assure us that Australia has ample power supplies for a much larger population than the country is carrying at present, but their location is not ideal. Reserves of coal will last many generations and potential hydro-electric power resources are great, particularly if New Guinea is included. However, the known resources of black coal are mainly on the eastern coastal areas, the brown coal is in the south-east and the water power is also concentrated mainly around the eastern areas, including Tasmania. As every Australian is painfully aware, the existing flow of power is being fully utilised, even to the point of being rationed. Schemes are therefore in hand to expand electrical generating capacity, the main one being the Snowy River Project, which would provide a total of 668,000 KW. If all proposals can be carried out according to plan, capacity will be increased threefold.

Manufacturing Industry

This expansion of basic industries, particularly power, is facilitating rapid expansion of secondary industries. A number of established Australian firms had already adopted a decentralisation policy during the war, mainly with the object of tapping female labour supplies in country towns. This trend continued into the period of postwar labour shortages. It has been encouraged by government policy, because of the unfavourable social and defence implications of concentrating populations in ever-growing urban centres. State governments have endeavoured to keep freight rates down and supply electric power in country districts at reasonable cost. During the war the munitions industry established numerous country annexes, but the textile industry is now probably the most widely represented in country areas.

Another important phase of industrial expansion has been the growth of established manufacturing companies in the postwar period. Some of this expansion has been entirely on the initiative of Australian companies. An outstanding case in the engineering industry is establishment of a tinplate mill at Port Kembla, which will provide material for the growing canning industries and a hot and cold steel strip mill which will expand output of sheet metal for the manufacture

of motor bodies in Australia. The paper companies also have very large-scale projects in hand to increase productive capacity and their research suggests that the Australian demand will remain in excess of production for many years. Their projects include a wide range of products, newsprint, boards, writing papers and various special papers. The Australian tyre industry is another to implement expansion plans, now providing a large proportion of tyres for Australian vehicles.

A further group of industries has expanded with the aid of oversea capital and technique. British and American motor manufacturers have assisted in extending the Australian content of automobiles and in providing the technique for making diesel-electric locomotives, which should greatly improve the efficiency of Australian rail transport. In the textile field, oversea companies have co-operated in providing capital, partly in the form of specialised factory plant. This has been of especial importance in the rayon industry.

It is in connection with such basic developments as controlling water for irrigation and electricity generation, improving transport by road, rail, sea and air, that Australia's critical needs arise for additional manpower. It is in these projects that Australia plans to use an increasing proportion of future immigrants, many of them under contract to remain in high priority jobs for at least two years. The test of success of the reduced immigration programme over the next few years will be whether it can maintain the supply of workers for these key projects. This will call for a more careful selection of immigrants, raising the proportion of workers among the immigrant supply, maintaining the number of labourers and holding them on the urgent jobs.

Australia's primary industries have great scope for expansion aided by research and provision of capital equipment. The future may bring consolidation in existing marginal areas, more intensive use of settled lands and greater variety of products. Meanwhile secondary industries continue to broaden the basis of the national product, replacing imports and supplying the growing local population. Export markets are being developed for some manufactures, particularly for processed foods, helping to enlarge the possible output of secondary industry to more economic scales of production. Service industries are growing in accord with the ever-widening demand of 8½ million people for transport, communications, finance, distribution, health services, education, entertainment and administration.

COAL SITUATION IN HONGKONG

With the arrival of the winter months it is highly satisfactory to learn that the coal situation in Hongkong is on a thoroughly sound basis. The Colony is obtaining regular supplies and there are adequate reserves. The supply situation following the second world war necessitated the establishment of coal control in the Colony as in other parts of the world and this control has worked smoothly so that the fuel situation today, despite all difficulties that have arisen from time to time with respect to sources of supply, may be regarded as eminently satisfactory.

At the moment, Hongkong's supplies of coal come mainly from India through the port of Calcutta with a certain amount deriving from Indonesia. In the past some coal was obtained for Hongkong from Japan, but Japan is no longer an exporter; indeed, with insufficient supplies for her own growing consumption, Japan, together with Korea, is now buying coal from India and the United States. Needless to say, there are no supplies coming from China at present. Macao, however, gets a trickle of coal from Canton. The Union of South Africa, which at one time supplied Hongkong with a good deal of coal, has now prohibited export of the fuel abroad. South Africa is not short of coal but her available supplies are being used for internal consumption and the shortage of freightage trucks on the South African railways is a factor in the situation so far as transport is concerned.

The purchase and distribution of coal for Hongkong is the responsibility of the officer in charge of the Fuel Section under the Department of Commerce and Industry. In an interview with a representative of the Far Eastern Economic Review, the officer in charge of the Fuel Section, Mr. F. J. Wakefield, said the present-day average consumption of coal per month in the Colony is approximately 12,000 to 15,000 tons. The power companies are now almost entirely on oil consumption and do not use much coal. Stocks of coal in the Colony are in good supply and while the Indian source of supply remains open there is no danger of shortage. The price of Indian coal, however, has gone up considerably. It is now HK$139 per ton whereas a year ago it was HK$91, the increase in Hongkong being entirely due to the increase in freight rates, that is to say, the cost of carriage from source. Whereas a year ago the freightage from Calcutta was about forty shillings per ton the charge leapt up in June and July to 125 shillings and although there has been a slight improvement in recent months the rates are liable to go up again. Indonesian coal is a little cheaper than Indian.

Consumption in the Colony over the last eight months has averaged about 14,000 tons per month and all local demands have been met. In April the Department had to reduce the supply of ships' bunkers to sufficient for vessels to reach the next coaling port. This measure was necessitated by the difficulty at that time of chartering colliers to bring supplies to the Colony. Reserve stocks have since been replenished and, within reasonable limits, bunkering demands can now be met in full.

With regard to coke, Mr. Wakefield said the situation is well in hand. Coke is brought here from India and other parts of the world and costs HK$250 per ton to the consumer. It is mostly used in the Colony's foundries and in the dockyards for making heavy castings, etc.

Firewood is not controlled and a free market still exists in this important commodity. About 75 per cent of the firewood used here comes from Wuchow while the remaining 25 per cent is drawn from British North Borneo and Penang. Although there is no control, the Hongkong authorities maintain substantial stocks of firewood to meet an emergency. Such an emergency occurred early in the year when supplies were temporarily cut off from the West River. A rationing scheme was then introduced and the effect was immediate. The price of firewood which had risen from $7 a picul to $20 a picul fell almost at once to $12 a picul. Supplies are now coming in regularly from the West River and prices are down to normal. Total monthly imports amount to about 20,000 tons. Another emergency occurred following the serious fire at Tang Tau Village, Kowloon City, on the night of November 21 when the Yaumati Social Welfare Centre asked for a large amount of firewood in a hurry in order to supply ten thousand meals next day to the homeless victims of the conflagration.

HONGKONG'S IMPORTS & EXPORTS OF COAL

January-August 1951

Hongkong's total imports of coal for the January-August period of this year amounted to 208,003 tons valued at $22,000,859. Exports totalled 9,519 tons at $945,105, leaving an import excess of 118,484 tons to the value of $21,055,754. The respective figures for imports and exports in 1950 (Jan.-Aug.) were 216,067 tons at $15,278,452 and 48,665 at $3,376,350, and for the eight months of 1949, 253,077 tons at $18,201,290 and 3,688 tons at $474,610.

Nearly 60% of the total quantity imported this year came from India, or 123,819 tons; and over 54% of the exports, or 5,185 tons, went to Macao, with South China taking 3,834 tons.

Imports & Exports of Coal

1951 (Jan.-Aug.)	Imports Tons	$
India	123,819	14,183,633
Indonesia	29,911	3,069,257
N. China	24,145	2,126,010
Indochina	10,804	1,206,800
Taiwan	13,213	873,585
Japan	3,928	276,000
S. China	1,323	166,674
Macao	860	98,900
Total Imports	208,003	22,000,859
	Exports	
Macao	5,185	665,465
S. China	3,834	234,840
C. China (excl. Taiwan)	400	34,800
Thailand	100	10,000
	9,519	945,105

CURRENT PROSPECTS FOR U.S. TRADE WITH FAR EAST

United States trade with the Far East has continued at a high level during 1951 despite such deterrents as: (1) Sharply increased prices; (2) strict trade and exchange controls in both the Far East and the United States; (3) shortages of certain export goods from the United States because of increased domestic consumption for defense needs; (4) cessation of exports to China; and (5) armed conflict in several Far Eastern countries. Factors contributing to a heavy volume of trade are: (1) Increased production of Far Eastern agricultural and mineral raw materials coupled with a strong demand for those commodities in the United States; (2) expanding industrial production in the United States enabling this country to meet both defense and civilian requirements, including those for export; (3) the United States policy of making short supply and strategic goods available for export through allocation procedures and priority ratings; and (4) continued financial aid to the Far East.

Trends in Volume and Value

United States exports to Far Eastern countries for the first 6 months of 1951 were valued at $873,000,000 (an annual rate of $1,746,000,000), compared with 1950 exports of $1,257,000,000. At an annual rate this figure represents an increase of 39 per cent over 1950 exports. Price rises account for part of the increase in value of 1951 exports over those of 1950. A unit-value (price) index has not been computed for United States trade with the Far East; however, the unit-value index of total United States exports to all destinations increased by 20 percent from June 1950 to June 1951. The unit-value index of exports of finished manufactures to all destinations increased by only 15 per cent, whereas crude and semi-manufactures increased by 25 per cent from June 1950 to June 1951. Since a considerable portion of United States exports to the Far East consists of finished manufactures, such as machinery and vehicles, textiles, drugs and pharmaceuticals, it appears that the price rise of exports to the Far East has not been greater than the 20 percent rise in prices of exports to all destinations, and that the volume of exports to the Far East increased by approximately one-fifth over that of the preceding year. Beginning July 1950, data exclude exports classed as "special category" items, for security reasons.

United States imports from the Far East during the first half of 1951 amounted to $1,036,000,000 (an annual rate of $2,072,000,000), compared with 1950 imports of $1,506,000,000. At an annual rate this figure represents an increase of 38 percent over 1950 imports. Price increases, however, were far more substantial in the case of imports than for exports. The index of unit-value for total United States imports from all destinations increased 38 percent between June 1950 and June 1951, which suggests that the volume of imports from the Far East has not increased and that the higher value was entirely the result of rise in prices.

An analysis of prices of several individual commodities for which the Far East is the principal supplier indicates that the unit-value of imports from the Far East may have been considerably higher than that for total imports from all destinations. Imports from the Far East are largely raw materials or semi-manufactures, such as rubber, tin, jute and burlap, hides and skins, and raw wool. Price increases of crude material imports from all destinations averaged 71 percent in June 1951 over June 1950 prices and semi-manufactures increased 36 percent. The unit-value of crude rubber imports, however, advanced from $0.19 to $0.55 per pound, an increase of 184 percent; tin imports, from $0.73 to $1.20 per pound, an increase of 64 percent; and burlap imports from $0.22 to $0.39 per pound, an increase of 77 percent. It appears that the terms of trade for the Far East were more favorable than is suggested by the over-all price indexes for United States trade with all countries. Export prices of finished goods in the coming months may be expected to reflect the increased prices of basic raw materials, and terms of trade for the Far East may be less favorable than in the first half of 1951.

U.S. Trade With the Far East, Annual 1949 and 1950, and Six Months 1951
(In thousands of dollars)

Country	Exports including reexports (1) 1949	1950	1951 (Jan.-June)	General imports 1949	1950	1951 (Jan.-June)
Total	1,753,341	1,256,764	872,898	1,089,089	1,506,454	1,036,298
Afghanistan	2,532	3,923	3,091	19,729	21,081	19,972
Burma	1,921	983	1,027	1,213	760	887
Ceylon	18,671	6,855	9,289	34,837	65,974	33,367
China (2)	82,673	45,650	0	107,124	146,838	31,769
Hong Kong	121,228	103,398	13,074	4,252	5,400	5,353
India	255,249	215,611	171,239	238,849	259,129	173,151
Indochina	18,232	9,382	11,863	1,133	11,124	9,018
Indonesia	124,478	80,600	83,564	120,375	156,772	136,208
Japan	467,521	417,434	332,453	81,992	182,019	115,212
Korea	52,305	22,891	11,813	1,374	2,338	186
British Malaya	37,627	20,534	27,597	195,550	308,846	231,903
Pakistan	45,809	33,491	16,333	27,697	31,400	34,919
Philippines	439,195	240,550	147,263	204,738	235,776	169,399
Taiwan	53,440	28,004	19,189	1,708	3,132	2,361
Thailand	31,571	26,452	24,537	48,008	75,192	71,833
Other Southern & Southeastern Asia (3)	890	1,004	565	510	672	759

(1) Data exclude "special category" exports beginning July 1950.
(2) Includes Manchuria.
(3) Includes Macao, Portuguese Timor, Goa, Damao, Nepal, and Bhutan.

Excluding Japan, United States imports from the Far East exceeded exports to the area by $380,641,000 during the January-June period. The United States had an import balance with all of the Far Eastern countries except Burma, Hong Kong, Indochina, Japan, Korea, and Taiwan. Although United States exports to Japan exceeded imports by $217,000,000, goods supplied through "special procurement" contracts for use by United Nations forces in Korea partially offset this imbalance.

Principal Markets and Suppliers

Five countries received 87 percent of United States exports to the Far East during January-June 1951. They were: Japan, $332,000,000, an increase of 72 percent in value over the first half of 1950; India, $171,000,000, an increase of 37 percent; the Philippines, $147,000,000, an increase of 14 percent; Indonesia, $84,000,000, an increase of 100 percent; and British Malaya, $28,000,000, an increase of 198 percent.

The same five countries furnished 80 percent of United States imports from the Far East but not in the same order of importance. British Malaya, a principal supplier of rubber and tin, ranked first with exports to the United States valued at $232,000,000, an increase of 93 percent in value over Malayan exports from January-June 1950. United States imports from the other four countries, with percentage of increase over the corresponding period of 1950 shown in parentheses, are as follows: India, $173,000,000 (42 percent); Philippines, $169,000,000 (58 percent); Indonesia, $136,000,000 (160 percent); and Japan, $115,000,000 (56 percent). Trade trends for individual countries are discussed briefly in the paragraphs that follow.

Japan

Although United States trade with Japan can be expected to continue at a high level during the remainder of 1951, several factors point toward increased participation by other areas and a less dominant role on the part of the United States. Expenditures from United States-appropriated funds came to an end on June 30, 1951. Such funds were used in recent years to import foods, fertilizers, and industrial raw materials, a large part of which came from the United States. Since Japan's earnings from exports to the United States are relatively small as compared with its purchases from the United Staes, cessation of dollar aid may be expected to result in increased trade with the sterling area, which is a larger market for Japanese goods. The recently concluded Japan-Sterling Area Payments Agreement gives to Japan some of the privileges of sterling transferable account countries and carries the provision that trade imbalances may be settled in sterling. Another stipulation of the agreement is that trade with Hongkong, hitherto conducted in dollars, will be conducted in sterling.

Since the outbreak of the war in Korea, Japan has supplied goods and services for the United Nations Armed Forces in Korea under "special procurement" contracts. Supply contracts of this type, which are in addition to the regular commercial exports shown in official trade statistics, amounted to about $350,000,000 during the period from the beginning of the Korean war until July 15, 1951. Future contracts of this nature depend upon political conditions with respect to Korea.

Philippines

Notwithstanding recent tightening in Philippine import controls, including bans on certain consumer items, factors which should contribute to an encouraging outlook for United States exports include the relatively favorable exchange position and the inauguration of agricultural and industrial development projects with financial assistance from the United States. As in the case of other countries of the Far East, one of the main deterrents to taking full advantage of potential export opportunities may be the shortage in the United States of some commodities.

Although the amount of foreign exchange made available for imports during the second half of 1951 was less than that for the first 6 months, when import licensing was excessively heavy, the total made available for the year is nearly double dollar allocations for imports in 1950. Considerable additional exchange is expected to accrue to the Philippines from the aid program of the ECA and from anticipated loans by the Export-Import Bank, as well as from other United States expenditures, such as continuing outlays for military agencies.

United States imports from the Philippines in the next year should show at least moderate increases in volume for most major commodities, the 1952 production of which is expected to rise above estimated levels for 1951. Although demand for some items, notably coconut products, has fallen off, with export prices declining sharply from peak levels of March and April, as the United States defense program gathers momentum both demand and relatively high prices for Philippine raw materials should be maintained.

India

Current United States-India trade prospects are relatively satisfactory. Indian industry is operating at a level about 10 percent above that of 1950, aided in part by exceptionally heavy imports of raw materials during the Indian fiscal year ended March 31, 1951. United States exports to India continue to be high, and estimated on the basis of figures for the first 6 months, may amount to $350,000,000 for 1951. Included in this estimate is the wheat purchased by India under U.S. Public Law 48, generally known as the India Grain Act. Insufficient supplies of jute from Pakistan and of sulfur, copper, iron, and steel from the United States are in prospect, however.

Indian exports to the United States in 1951 may reach a new record. Although there has been a substantial drop in the volume of burlay exports (nearly 30 percent below 1950 on the basis of Calcutta exports to the United States to August), other exports such as mica, manganese, pepper, tea, cashew nuts, goat and kid skins, and shellac have continued at a high rate. In fact, the United States ranked as India's second best customer in the year ended March 1951 as well as India's second largest supplier, the United Kingdom being first in both India's exports and imports.

Indonesia

The outlook for a continued high level of trade between Indonesia and the United States is promising. Indonesia has substantial dollar credits and continues to earn dollars although at a slower rate than was the case in early 1951 when record prices were received for rubber and tin. United States trade statistics for 1950 indicate that Indonesia's exports to the United States exceeded its imports by nearly $77,000,000. In addition to dollars earned by direct exports to the United States, Indonesian rubber reached the United States by way of Singapore and Malaya where it was remilled and increased the net dollar credits to at least $100,000,000. In addition to rubber and tin, of which the United States is the chief purchaser, Indonesia exports to the United States substantial quantities of pepper, cassia and other spices, tapioca, tea, kapok, wrapper tobacco, gums and resins. Thus, the sales outlook for such United States commodities as milk products, canned fish, wheat flour, fruits, cigarette tobacco, chemicals, dyes, cotton textiles, iron and steel products, industrial and other equipment, automobiles, and electrical equipment, which normally are important exports to Indonesia, appears reasonably good in the near future as demand is

strong and exchange available. Stocks of textiles on hand at main distribution centers in Java and heavy congestion of imported goods at ports not yet cleared by customs may slow up orders for a time.

Malaya

Malaya, Singapore, and British Borneo are likely to receive a temporary increase in allocations of dollars for imports from hard-currency areas. A permanently improved situation can develop, however, only when the United Kingdom is able to relax its basic monetary and trade control policy as it applies to the entire sterling area of which Malaya is a member. Although the United States is the largest customer for both rubber and tin—the two leading Malayan exports—the dollars accruing from these exports are used for the sterling area as a whole. Malaya receives dollar allocations sufficient to finance imports from the United States of limited quantities of highly essential goods unobtainable from the sterling area or from other soft-currency countries. In 1950, for example, United States imports from British Malaya amounted to $309,000,000, whereas United States exports to British Malaya were valued at only $21,000,000. In addition to direct imports from the United States, however, British Malaya imported some United States goods via Hong Kong.

United States imports of crude rubber and tin from British Malaya were valued at $216,800,000 in the first 6 months of 1951. Several factors point toward increased use by Malaya of its dollar earnings for imports from the United States. High prices and heavy exports of rubber and tin in 1950 and early 1951 resulted in increasing popular demand for imported consumer goods. The result has been an easing of the regulations which tightly restricted imports from the United States.

Hong Kong

United States trade with Hong Kong in the coming months will continue to be determined by such factor as United States export and foreign assets controls, and the development by Hong Kong of new markets and sources of materials to substitute for that part of its former trade which was with mainland China.

United States export controls permit the shipment to Hong Kong of only enough goods to supply Hong Kong's local needs and transhipment requirements to non-Communist destinations. Since Hong Kong was formerly the entrepot for many exports to China, Hong Kong's imports from the United States are expected to be severely curtailed as long as the present regulations exist. United States exports to Hong Kong in the first quarter of 1951 dropped to less than $4,000,000, or approximately one-sixth the amount exported in the first quarter of 1950. As information concerning Hong Kong's requirements for local consumption and for transhipment to friendly areas became available licensing for shipment to Hong Kong increased and United States exports to Hong Kong in the second quarter of 1951 rose to $9,000,000. Continued licensing for export to Hong Kong depends upon proof that end-use and ultimate destination are in accordance with United States export regulations.

Although United States imports from Hongkong during the first half of 1951 more than tripled in value over imports for the like period in 1950, it is unlikely that imports will continue at that rate. Substantial increases were recorded in imports of fish and fish products, vegetables and preparations, fruits and preparations, spices, wood manufactures, cotton waste, tung oil, and feathers. Except for certain strategic and critical goods considered to be of security advantage to the United States, the general policy of Foreign Assets Control is to prohibit the importation of any Chinese Communist products, either directly from China or indirectly through such transhipment centers as Hongkong. New foreign assets control regulations published August 15 are very likely to reduce the importation from Hongkong of fish, vegetable, fruit, and wood manufactures, inasmuch as these regulations now indicate that articles which are the growth, product, or manufacture of China will continue to be regarded as Chinese products despite the fact that they were washed, cooked, preserved, salted, canned, packed, or processed in another country. In the case of tung oil, the total 1951 import occurred in January.

Hongkong's Exportation Order of June 25, 1951, eliminated Communist China as a market for a large number of commodities some of which were of United States origin. If Hongkong's trade in such goods of United States origin is to continue new markets in non-Communist Southeast Asia will have to be developed.

Pakistan

The Pakistan market for United States exports will be determined largely by the availability of dollar exchange, either from export earnings or from dollar loans or aid programs, and by the ability of the United States to supply Pakistan's import needs. Because of high prices and increased demand for Pakistan's principal exports to the United States (wool, hides and skins, and jute), export trade with the United States amounted to $35,000,000 for the first 6 months of 1951, exceeding exports for the entire year 1950 which were valued at $31,000,000. The general price decline in these commodities may reduce dollar earnings in the next few months. Pakistan is negotiating for a loan from the International Bank, a portion of which would be a dollar loan.

A considerable part of Pakistan's demand for United States merchandise is likely to be for specialized manufactures and critical raw materials. In the finished-manufactures category Pakistan may wish to purchase telecommunications equipment, aircraft, earthmoving equipment, power supplies, and automobile tires. Such materials as carbon-black, glycerin, pharmaceuticals, insecticides, copper, and some types of iron and steel will be needed. The volume of trade will depend upon the availability of these short supply or strategic goods for export from the United States.

Thailand

United States-Thai total trade has increased every year since the close of World War II. Thailand's foreign exchange position is excellent. The country is now the world's largest exporter of rice, and heavy United States purchases of rubber and tin have provided dollar exchange for the purchase of machinery and vehicles, textiles, chemicals, and metal products. Thailand received a loan of $25,400,000 from the International Bank in October 1950 which is to be used for an irrigation project and for improvements in transportation. A number of contracts for these projects have been placed with United States firms. Thailand has almost no import controls, and foreign exchange can be purchased freely from any bank.

Other Countries

United States trade with Ceylon, Taiwan, Afghanistan, Indochina, and Burma, if estimated for the year 1951 on the basis of statistics for the first 6 months, will achieve higher levels for both exports and imports than in 1950.

Ceylon.—United States exports to Ceylon during the first half of 1951 were valued at $9,000,000 as compared with $3,000,000 for the corresponding period in 1950. Increased exports were made of cotton cloth, machinery and vehicles, petroleum products, powdered milk, tobacco, and chemicals. Ceylon's

exports to the United States, chiefly rubber, tea and graphite, amounted to $38,000,000, compared with $25,000,000 in the first half of 1950.

Taiwan (Formosa).—Taiwan was the destination for exports valued at $19,000,000 in the first half of 1951 and $11,000,000 in the first 6 months of 1950. Cotton, wheat flour, and soybean exports accounted for most of the increase. Imports into the United States from Taiwan were valued at $2,000,000 and consisted largely of tea and citronella oil.

Afghanistan.—Afghanistan's exports to the United States consist largely of one item—karakul skins. United States imports from Afghanistan during the first half of 1951 were valued at $20,000,000, nearly the same as annual imports for 1949 and 1950. United States exports were more varied and consisted largely of machinery, metals and minerals, and textiles valued at $3,000,000.

Indochina.—France has been predominant in the trade of Indochina, and although the agreements at a conference at Pau, France, in December 1950 granted the Indochinese States of Vietnam, Laos, and Cambodia the status of independent States within the framework of the French Union, no important changes in commercial policy have taken place. United States exports to Indochina during the first half of 1951 were valued at $12,000,000, nearly three times the value of exports for the first half of 1950. Machinery and vehicles, raw cotton, tobacco, petroleum products, and chemicals and fertilizers were the major exports. United States imports were valued at $9,000,000 in January-June 1951 and consisted largely of crude rubber.

Burma.—Traditionally, the United States has been one of the less important of Burma's trading partners. Aside from rice, which is Burma's principal export product, and which accounts for most of its export trade with other Far Eastern countries, the volume of the country's trade in the near future is dependent upon the restoration of peaceful conditions within the country, since the transportation facilities and the production centers for minerals and teak continue to be the objectives of guerilla bands fighting against the Government. The availability for export of Burma's mineral products—copper, lead, zinc, tin, and tungsten—would be of particular interest to the United States.

Outlook for Exports and Imports

An examination of export data relative to 11 countries of the Far East where conditions permit a reasonable basis for comparison of current trade with that of recent years indicates that for the seven large export groups (machinery and vehicles; metals; chemicals; textile fibers and manufactures; vegetable products, inedible; vegetable foods; and miscellaneous), total value of United States exports to the Far East is likely to reach at least the level attained in 1949.

Availability in each export group is, of course, not uniform. In the inedible-vegetable-products group which includes rubber manufactures, inedible vegetable oils, and tobacco, 1951 exports to these 11 Far Eastern countries will show a 90 percent increase in value over those of 1949 if shipments continue at the rate of the first 6 months. Textiles and textile-fiber exports will increase in value by nearly 70 percent; foodstuffs, nearly 25 percent; and chemicals, about 10 percent. Exports in other groups have not been maintained at the 1949 level and probably will continue at lower levels during the remainder of the year because they are more directly affected by shortages of basic materials, metals, and chemicals. Shortages are felt most in the raw materials used in the production of metals and in the machinery and vehicle group dependent upon metals. Despite these shortages, United States exports to the Far East during 1951 in machinery and vehicles may be expected to decrease by only about one-fourth under 1949 exports and metals by 40 to 50 percent if the rate of exports for the first 6 months continues. Reduction can also be expected in exports of the miscellaneous group, which includes photographic materials and scientific and professional equipment.

United States import demand for rubber, tin, jute and burlap, abaca, sugar, manganese, chrome, mica, and many other Far Eastern products is expected to remain at a high level. Present prices of some of these commodities have declined from peaks reached earlier in 1951 and values may be lower than for the first 6 months of 1951.

THE BRITISH ELECTION

The results of the British election last month demonstrate that the trend to the right in British politics which so nearly unseated the Labor Government last year has continued, bringing the Conservatives into power, though with a margin so small as narrowly to avoid continuance of the political stalemate. With the hard core of Labor support remaining intact, the Conservatives won by attracting more middle class voters, mostly Liberals, dissatisfied with life under the Labor Government. In spite of the Conservative victory Labor actually received more votes at the polls than the Conservatives, though less than the Conservatives and Liberals combined.

Explanation for the continued strong showing for Labor undoubtedly lies in the popularity of the welfare state which has shielded the low income groups from real awareness of the economic difficulties facing the country. Thanks to food subsidies and the explanation of the social services, these classes are, by and large, better off than ever before. All this, however, has been at the expense of the middle and upper income groups, along with the American taxpayer who has provided a big loan and Marshall aid.

In its campaign manifesto the Labor Party placed emphasis upon maintenance of full employment and the social services, more managed economy through tighter government controls, and continuation of the policy of redistributing wealth. It claimed entire credit for the existence of full employment since the war. Though promising to "do everything possible to stimulate production at home and to expand exports," the manifesto offered little encouragement to incentive. "Monopolies and combines which restrict production and keep prices and profits too high" would be attacked. Although such Labor Party leaders as Sir Stafford Cripps and the recent Chancellor of the Exchequer, Mr Gaitskill, have recognized that no scope is left for raising the general standard of living by "soak the rich" policies or by raiding profits, the manifesto asserted that "much more remains to be done in the redistribution of income and property." To this end the Party pledged itself, on the one hand, to reduce taxes on

wages and on moderate incomes and moderate inheritances; and, on the other, "to limit dividends by law, increase taxation on the small minority who own great fortunes and large unearned incomes, and take measures to prevent large capital gains."

The Conservative Party, in its manifesto, stressed its belief in free enterprise, capitalism, and the profit motive. "We do not believe," it declared, "in an egalitarian society centrally planned nor in an economy dominated by state monopolies or private combines."

In line with this philosophy, the Party proposed to stop further nationalization, to denationalize the steel industry, and to reopen the Liverpool Cotton Exchange. Accepting nationalization of coal and the railways, it promised better management through decentralization. Apart from the policy on nationalization, the Conservatives did not promise to undo much that the Labor Party had done. Food subsidies would remain for the present at least. Housing was declared the first of the social services and a target proclaimed of 300,000 units a year. In general, the rival platforms differed not so much in the specific programs as in the underlying principles, and in the emphasis upon releasing the forces of private initiative. Both documents were criticized for too many vague generalities and for failing to come to grip with the hard realities of the situation.

Now that the tumult of the election is over the victors face the necessity of buckling down to the grave and pressing economic problems before the nation. These come to a focus in the sudden and alarming deterioration in Britain's balance of payments, as revealed by recent figures.

This deterioration has manifested itself in the drop of gold and dollar holdings of the sterling area "pool" during the third quarter of this year by $598 million — the sharpest decline in the reserves ever recorded. Underlying this shrinkage was a sudden change in the balance of current transactions which includes merchandise trade and such "invisible" items as receipts from investment, shipping, insurance, and travel. From a surplus of £179 million during the second half of 1950, these transactions turned into a deficit of £122 million during the first half of 1951. The drain apparently worsened during the third quarter. The unfavorable merchandise trade balance during this particular quarter was £374 million, or more than the adverse trade balance for the whole of 1950.

What all this adds up to is that Britain is facing its third economic crisis since the war. This crisis is less immediately critical in that the monetary reserves are higher, and enough, in the words of former Chancellor Gaitskill, to give time "for the formulation of wise correctives." But the crisis is more serious in that the overseas sterling area countries which have a claim on the "pool's" resources have their own balance of payment troubles, and that there are no big foreign loans or grants to fall back on.

Moreover, unlike the previous crises, when the overseas deficit was largely confined to the dollar area, Britain now is running balance of payments deficits with all major areas except the sterling area — and even there she has been in deficit on trade and able to show a small overall surplus only because of earnings from investments and other "invisibles." As a result of Britain's inability to maintain the flow of exports to sterling area countries, her sterling liabilities, which were being reduced, are again rising and at the end of June reached a new peak at £4,168 million. The question is, how long will overseas sterling area countries consent to go on putting their gold and dollars in the Empire pool. Signs are that some already are growing restive.

In seeking the cure for Britain's recurrent balance of payments difficulties a first step is to analyze the nature of the disease. The very suddenness of the plunge into the red, coming just at a time when the dollar gap appeared to be closing and sterling area monetary reserves were recovering, calls particularly for explanation.

In the first place, the outbreak of the Korean war and the consequent speeding up of rearmament and the bulge in raw material prices forced up the volume and cost of British imports. The volume of British exports not only failed to keep pace with the volume of imports, but the prices of exported goods consisting mainly of manufactures rose more slowly. In other words, the "terms of trade" turned against Britain.

Secondly, Britain has paid a penalty for some bad timing by the authorities in making stockpiling purchases. Instead of increasing imports and building up stocks of goods in England a couple of years ago when the market was slack and prices were depressed, they let the stocks run down in the hope that they could buy cheaper later on. When, with the advent of the Korean war, commodity prices rose by leaps and bounds Britain came in to buy late at top prices — another example that government planners are by no means as infallible as they are sometimes represented to be.

Thirdly, the loss of Iranian oil has increased the need to spend dollars.

Fourthly, the crisis, and apprehensions inspired by it regarding sterling, have themselves tended to accelerate the dollar drain. Just as the monetary reserves had previously benefited by purchases of sterling prompted by rumors of its impending appreciation, so more recently they have been weakened by sales of sterling prompted by rumors of the opposite nature.

However, with due allowance for these special and in some cases possibly temporary factors, it would seem that other and more fundamental explanations must be sought. One of the lessons of economic history is that chronic balance of payments difficulties can almost invariably be traced back to inflation. With internal purchasing power expanded too rapidly, the natural effect is to attract more imports, while at the same time increasing the demand in the home market for goods that might otherwise be exported. Indications are that Britain is another example.

Like most other countries today, she is trying to do too much. At the same time that the Government is superimposing rearmament upon an economy already operating at full employment, it is pouring out money for housing, and fostering high civilian consumption by food subsidies and other expenditures of the welfare state. The result is an inflationary boom, with its accompanying rise of wages and prices, which is reacting in the classical manner on the balance of payments by encouraging imports and discouraging exports.

If this be the disease the remedy is clear. It is government and private retrenchment. People must work harder, spend less, and save more. Productivity must be stepped up, output increased, and domestic consumption reduced.

All who know the essential unity of the British people must feel a confidence that they will rise to the ringing words of Mr. Churchill issued as he once more took the helm in an hour of danger —

There lie before us hard times. I have seen worse and had worse to face. I don't doubt that we shall come through.

We shall use not only Party forces, but we shall use the growing sense of need to put Britain back in her place — a need which burns in the hearts of men, not only here, but far beyond these shores.

National City Bank of New York
(November Letter)

GENERAL BUSINESS CONDITIONS IN THE UNITED STATES

The business news still indicates an approximate state of balance between inflationary and deflationary forces, with little to suggest that either will take full charge of the situation in the early future. On the one hand, record-breaking expenditures for plant and equipment and growing outlays for defense sustain employment and keep up the flow of purchasing power. The slow rise of personal incomes, augmented by wage increases, has continued. In the aggregate, demand for goods has been strong enough to hold prices firm; the official wholesale price index rose in four weeks out of the five ended October 23, for a net advance of 0.4 per cent. Looking farther ahead, the inflationary dangers that lie in growing treasury expenditures and prospective deficits, together with new increases in wage rates and industrial costs, are emphasized in almost every analysis of the economic situation.

On the other hand, sensitive commodities show irregularity and there is a good deal of bearish sentiment, which argues against the development of a broad upward price movement at this time. With the obvious exception of the metals and other defense materials, which are scarce but are under allotments and price ceilings, buyers are indisposed to scramble for goods either for every day use or for business purposes. Distributors and processors of consumers' goods are trying to work inventories down. This means reduced commitments all along the line. Retail sales still hold to the pattern of the past six months, during which, after allowing for seasonal variations, they have fluctuated narrowly around a level some 10 per cent below the January-February figures. As compared with a year ago, sales were lower in the third quarter, when last year's figures were lifted by the post-Korean scramble, and have been higher in October, which in 1950 was a dull month.

The "Lull" Continues

Thus what is commonly called the "lull" persists. Of course the situation would change quickly if anything should happen to start people rushing to the stores again, and business men into the markets, as they did at the outbreak of the Korean war and when the Chinese armies intervened. People have money. Over the past eight months they have saved a greater share of their incomes than ever before in peacetime, and have steadily added to their liquid assets. The events of October, however, tend to calm rather than excite buying psychology. The chances of a cease-fire in Korea appear to be improved, and rightly or wrongly many believe a cease-fire would bring modifications of the defense program to make more materials available for civilian goods. The sharp decline in the stock market must also have an influence on sentiment. Some people feel poorer, and others ask whether a general downturn may not be portended.

It is not always easy to say what influences personal buying. Certainly one restraining influence is that people, in the rush that took place earlier, either satisfied their most urgent wants or pledged future income as much as they deemed prudent. All business has to take account of the fact that while human wants in the aggregate are unlimited, the market for any specific thing is subject to saturation. With the stupendous productive capacity of this country, even a high level of demand may become satiated in many lines. When producers misjudge how much consumers will take, inventories rise and markets soften.

Other factors also promote caution. Personal taxes have been increased, effective November 1. Unemployment exists where cutbacks in consumers' goods activity have been greater than expansion of defense work, and while it is small in the overall situation some people probably feel a degree of insecurity as to jobs or buying power, which causes them to husband their resources. In general, predictions of shortage now seem to make little impression. The facts warrant their rejection as far as foods and soft goods go, and in consumers durables the premature cry of wolf has created skepticism toward prophecies which in the long run may prove quite justified.

The Balance of Forces

This analysis emphasizes the anti-inflationary influence of the accumulation of consumers' goods inventories, immense production, higher personal taxes, and the increase in savings. Demand is also restricted by tighter money, whose effects are seen particularly in slackened residential building and in curtailment of other projects which can and should be postponed at this time. These are the offsets to rising defense expenditures, which now have reached an annual rate of $38 billion, and to the demand which presses on the markets from business expansion and improvement programs and from public works, all financed to a considerable extent by borrowing.

In terms of the business outlook, the practical question now is how these inflationary and deflationary forces will balance out in the future. Defense expenditures will continue to rise. If the peak annual rate proves to be $65 billion to be reached in the autumn of 1952, as is now predicted, additional demands equivalent to $27 billion annually will come into the markets from this source alone. They may be less, if it proves impossible to spend so much so rapidly or unwise to subject the economy to such strain. But they may be greater, if enlargement of the air force plans, currently favored, is authorized.

It has already been noted that many expect a cease-fire in Korea, if it is agreed upon, to slow down defense spending. There is some reason for this belief, for the extra consumption that goes with actual warfare would be eliminated, and probably the military authorities would be slower to freeze designs and get ahead with production of finished weapons. Military requirements for scarce materials might be less than forecast.

At this stage, however, production of weapons is the lesser part of the defense program. This is the building up stage, with a great part of the effort concentrated on getting plants equipped and ready, facilities to produce raw materials expanded, and designs completed. To assume that these programs would be substantially reduced or slowed down because a cease-fire is arranged would be to misunderstand both the character and objectives of the defense policy. Mr. Wilson has said within the month that the present airplane goal, for example, calls for production of 15,000 to 18,000 planes a year, but also for the creation of an industry capable of turning out 50,000 a year. The objective is not primarily to supply Korean needs or, as Mr. Wilson has also said, to "cover Texas" with tanks and guns, but to build capacity upon which the armed forces can call. The country believes in this policy. It profoundly hopes that the extra capacity for 32,000 to 35,000 planes may never have to be used, but when insurance is needed it is worth its cost.

Anti-inflationary Programs

If this program is carried out all the offsets to inflationary forces that can be mustered will eventually be needed. Personal tax increases should have their sharpest effect on demand between now and next March 15, which includes the period in which tax payments always run heaviest. The trend of wage rates, however, is upward; and somewhere along the line increases in personal incomes are likely to catch up with the tax increases and offset their effect.

Inventories will be an anti-inflationary factor for some time. Demand is no longer augmented by inventory building

to any great extent. Merchandise stocks on hand probably will be drawn down further, adding to the supply of consumer goods and helping to keep prices in check. This, however, is a non-recurring supply, and the deflationary effect must run its course. The correction of overbuying at wholesale and retail in fact is proceeding rapidly. Forward commitments of department stores lately have been little more than half of what they were last year.

Of course the soft goods industries will have no trouble meeting any probable increase in demand, whenever it appears. Further increases in overall industrial production are to be expected. Steel and aluminum supplies will be larger by the middle of next year, and especially during the second half of the year, which will permit many other plants to increase their output. The American Iron and Steel Institute makes the striking report that in the first eight months of this year all but two of the major classifications of steel consumers received more steel than in the corresponding months of 1950, the record period; the exceptions were automobiles and appliances. The Institute expects that increased military requirements by the middle of 1952 will be so largely supplied by increased production that non-military users in the aggregate will continue to have as much steel as in 1950. Aluminum output will begin to expand rapidly after next summer.

The Function of Saving

Production increases will add to purchasing power, and thus potentially to demand, as well as to supply. In theory, they cannot solve the problem of inflation, which is the pressure of too much money, too much spending, and too little saving, irrespective of the level of output. Actually, however, the behavior of people during the past six months appears to show that well-supplied markets, free from fears of shortage, together with enjoyment of a high standard of living, encourage the natural instinct to save, which is precisely what the situation demands.

In any case, the question whether money will again begin to burn holes in pockets is one of the unknown factors, and a necessary key to the business outlook. A continuation of personal saving at present levels will help meet the capital requirements of the defense program and the accompanying industrial expansion in a non-inflationary manner. If savings plus taxes equal private investment plus government expenditures the situation will be fundamentally in balance. A reversion to spending on the scale twice seen since Korea would destroy this balance and create a clear predominance of inflationary forces.

As time goes on saving will be more and more essential, for the treasury deficits in prospect in the fifteen months after next March, to say nothing of the possibilities in later years, are huge. Almost certainly the deficits will require more borrowing, for taxation has reached a point where it either becomes inflationary, being passed on in prices or incomes, or seriously restricts capital formation and the incentive to work. The drop in stock prices is attributable to taxes. Already taxes cause some questioning of the validity of business expansion programs, on the double ground that they will take away the rewards as long as the demand is good, while profitable employment for the enlarged capacity may not be found after the inflated demand tapers off. This long look ahead is becoming more common. Meanwhile, however, the demands of the programs to which business now is committed, plus defense spending, support production and turnover. For the long run they hold inflationary dangers.

(November Letter on Economic Conditions issued by the National City Bank of New York)

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HONGKONG PUBLIC WORKS DEPARTMENT

Annual Report for the Financial Year 1950-1

The operations of the department were carried out, under the direction of a headquarters staff, by eight sub-departments, namely Architectural, Buildings Ordinance, Crown Lands and Survey, Drainage, Electrical and Mechanical, Port Works, Roads, and Waterworks.

1. ARCHITECTURAL OFFICE.

New Central Government Offices.

Preliminary designs have been prepared for new Central Government Offices to be accommodated on a site extending from Garden Road in the east to Ice House Street in the west. The location and shape of the site has resulted in buildings with horizontal as opposed to vertical circulation. Adequate provision of lifts at the Ice House Street entrance will provide good means of access to the offices for persons approaching from the city. The planning principle adopted throughout is one of office space on either side of central corridors, the depth of offices being determined as the average between requirements for single offices and large registries and draughting rooms. Fenestration is designed in 4' 6" units so that offices may be built up of any multiple of this figure. The entire building will be air-conditioned, but the building has been planned so that natural ventilation can be relied on if necessary.

Residential Buildings.

The house formerly occupied by the Colonial Secretary was seriously damaged during the war and subsequently demolished. A new house has been constructed on a site a little less than one acre in area along Barker Road. The building is of brick construction with a granite plinth, reinforced concrete floors and a pitched reinforced concrete roof. The walls are rendered externally and finished an off-white colour and the roof is covered with imported green glazed tiles. These tiles are used decoratively in the garden in conjunction with blue brick and granite terraces and garden walling. Internally the house has teak block floors, mosaic tile paving to verandahs and bathrooms and teak panelling in the study. The interior decoration has been carried out in a traditional style and a feature has been made of the curving staircase in the main entrance hall with a wrought iron balustrade. Coal-burning fireplaces have been provided in the study and drawing room and all main rooms are fully air-conditioned. Work on the main building commenced in August 1950, and was completed in March 1951.

The residence for the Chief Justice was also completed during the year. Owing to shortage of staff in the Architectural Office, private architects were commissioned to design and supervise the erection of the house, which was completed in December 1950. The accommodation provided consists of living room, dining room and study on the ground floor with three bedrooms and a dressing room on the first floor. The main rooms are air-conditioned.

The Albany Flats are sited above the Botanic Gardens in Albany Road. Working drawings were prepared during the year and tenders were called at the end of March 1951. The scheme comprises fourteen flats.

Police Buildings

Shaukiwan, Bay View, Hung Hom and Kowloon City Police Stations were completed during the year. The plans of Shaukiwan, Bay View and Hung Hom are all similar and each station consists of offices and barrack accommodation for 82 men, cells for 15 males and 6 females together with a drill compound and garages. There are married quarters at each station in a separate block containing 3 five-roomed flats. Kowloon City Police Station is considerably larger than the others; office accommodation is increased and barrack accommodation is provided for 204 men. Cells are provided for Chinese males and females, European males and females and juveniles. The married quarters consist of a separate block containing 12 five-roomed flats.

Police Block Houses at Shatin, Sai Kung, Castle Peak and Tsun Wan were completed. The plans of each building are identical and the accommodation consists of offices, barrack accommodation for 30 men, two flats for a Sub-Inspector and the Officer-in-charge, garage accommodation and a drill yard. The site for a new Block House at Kam Tin was chosen early in 1951.

The site for the new Police Rank and File Quarters, Hollywood Road, is that of the old Queen's College which was demolished during the war and has now been rebuilt at Causeway Bay. The scheme comprises two blocks of flats, garages for Police vehicles, a grocery shop and a recreation centre. There are 196 Living Units. One block is eight storeys high and the other seven storeys; the buildings are of reinforced concrete bearing wall construction with corridor access to each living unit. One lift has been installed in each block. Work was commenced in May 1950, and completed in April 1951. The erection of the Recreation Centre was started in March 1951.

Police Rank and File Quarters in Canton Road, Kowloon: Working drawings were commenced early in 1951 for a further block of Rank & File Quarters in Kowloon. The scheme comprises three eight-storey blocks totalling 375 living units. The plans of individual units are basically the same as those provided on the Hollywood Road site but minor improvements have been made. The plans also include a co-operative shop, medical clinic, recreation centre, children's playground and garages for Police vehicles.

Schools

Four new Government Schools were completed during the year 1950-51.

Queen's College. A senior school for 900 boys was erected on formerly vacant reclaimed ground at Causeway Bay. Accommodation comprises 24 classroom, 3 science laboratories, a science lecture room and a geography room; an Assembly Hall, which has seating capacity for approximately 900, and is well equipped with a large stage, dressing rooms and storage; a refreshment room adjacent to the hall, which serves also as the school tuck shop. In addition, the normal staff rooms, stores, changing and toilet accommodation, etc. were provided and provision was made in planning for the future addition of a gymnasium, library and canteen. The lay-out, orientation and structure were largely determined by limitations of the site and sub-soil; a two-storey reinforced concrete frame structure being developed using wide, continuous strip footings to spread the load on the sub-soil and avoid the use of piles. The building is of single room width throughout to obtain the best condition of light and ventilation.

Vernacular Primary School, Queen's Road East. Building work was started in March 1950, and was completed in September 1950. The site is in a congested area and considerable difficulties were experienced in giving the accommodation required while providing the requisite amount of daylight to each classroom. Accommodation is provided for about 300 pupils in 14 classrooms. Also included in the scheme are workshops and laboratories for temporary use by the Junior Technical School.

King's College Primary School. Building work was commenced in March 1950, and was completed in September 1950. The work consisted of rehabilitation of the original King's College, but so little was left of the original building that the work here virtually consisted of rebuilding on the old foundations. Accommodation has been provided for about 600 pupils in 17 classrooms, one Handicraft room and one Domestic Science room. There is also an assembly hall and gymnasium; and a small swimming pool, which was provided in the original design, has also been rehabilitated.

Kowloon Junior School. Owing to shortage of staff in the Architectural Office, private architects were commissioned to undertake this work. The building was completed in August 1950, and accommodation consists of seven classrooms and one Nursery room.

Medical Department

Kowloon T.B. Clinic. Work was commenced in July 1950, and completed in December 1950.

New Wards at Kowloon Hospital. As a matter of urgency in May 1950, the Architectural Office was requested to prepare a scheme for two 36-bed wards at Kowloon Hospital. This request was later amended to four 36-bed wards of which half should be built immediately. Building work was commenced at the end of March 1951.

Central Medical Dispensary. This scheme comprised an extension to the Furniture Workshop at North Point linking it up with an existing wing of the Government Stores. Additional storage space for the Furniture Workshop is provided on the ground floor while the first floor of the new building has been fitted out for use by the Government Pharmacist as his laboratory and central dispensary. Building work commenced in January 1951 and is due to be completed early in May 1951.

Dangerous Goods Store, Queen Mary Hospital. This work was completed during July 1950.

Telecurie Therapy Clinic, Queen Mary Hospital. Sketch plans and an estimate were prepared.

Sanitary Department

Kowloon City Market. Building work commenced in November 1950, and is due for completion early in April 1951. This building is listed as a light construction market and comprises 95 stalls in a one-storey building together with lavatories, caretaker's quarters, running water to each stall and a scalding room for the poultry section.

Hung Hom Market. Owing to the number of stalls required to be provided in this market and the congested site, it was necessary to design a two-storey building of considerably heavier construction than that envisaged under the description light construction markets. The accommodation provided consists of 96 stalls but, owing to the comparatively high estimated cost of the building, work has been deferred. Working drawings and specification were, however, completed.

Health Office, Aberdeen. Building working was commenced in November 1950, and completed in March 1951. The site is at Aberdeen adjacent to the existing market and consists of a general office and quarters for one Sanitary Inspector, one caretaker and thirty sanitary coolies, together with stores and a large compound.

Health Office, To Kwa Wan. Building work commenced in November 1950, and was completed in March 1951. The accommodation provided consists of a general office and two private offices, stores, quarters for one caretaker, lavatory accommodation and changing rooms for sanitary coolies, and a large compound.

Public Latrines. Two further public latrines were started during the year under review. Both sites were in Cheung Sha Wan (near the junction of Tai Po Road and Castle Peak Road) and building work was commenced in March 1951. The start was delayed due to the presence of squatters on the sites.

Wo Hop Shek Cemetery. A survey was made in conjunction with the Military Authorities for the taking over of various buildings which were in course of erection in 1941 and which have since 1945 been occupied by the Military. Actual building work done by the Architectural Office during the year under review consisted of the erection of garages and a farewell pavilion. Work was commenced in February 1951, and is due to be completed in April 1951.

Marine Department

Three Marine Licensing Stations were completed during the year 1950-51. Cheung Chau was completed in May 1950; Aberdeen was commenced in June 1950, and completed in October 1950; while Yaumati was commenced in June 1950, and completed in September 1950. The accommodation provided in each Station consists of offices, seamen's quarters and two flats for supervisory staff.

Hongkong Defence Force

To enable the site for the Central Government Offices to be cleared by September 1951, it was necessary to provide alternative accommodation for the Headquarters of the Royal Hongkong Defence Force. The site of the old Civil Service Cricket Club at Happy Valley was eventually chosen and the old Clubhouse was rehabilitated for use as a Quartermaster's store and male and female changing rooms. work being commenced in January 1951. The contract for the remainder of the scheme was let in February 1951.

The accommodation provided in the new buildings consists of one large and one small lecture room, canteen-bar, medical inspection room, offices for Force headquarters, armoury, armourers' workshop, military rifle range, covered parking area for all regimental vehicles and a three-bedroomed house for a Warrant Officer. A large flood-lit parade ground has also been provided. The entire scheme is due for completion in August 1951.

Fire Brigade

Kowloon Fire Station. A new site has been approved on the corner of Prince Edward Road and Tong Mi Road and a revised scheme has been prepared.

Tsun Wan Fire Station. A sketch scheme for a sub-Fire Station at Tsun Wan was prepared.

Department of Commerce and Industry

Sheung Shui Revenue Station and Quarters. Building work commenced in March 1951. The site for the building is on the Fanling cross-roads and conveniently placed for vehicular traffic coming from the Border. The accommodation provided comprises offices, a godown and quarters for thirty Revenue Officers and a flat for one Revenue Inspector.

Rice Godowns, Kowloon. Two rice godowns of a total floor area of 72,000 square feet were erected on site adjacent to Chatham Road. Work on these buildings was completed in August 1950. Owing to staff shortages in the Architectural Office, the work was carried out by private architects.

Post Office

In order to improve the working conditions in the Post Office Building, extensive alterations were carried out during the year. These involve the erection of new partitions, redecoration, the provision of additional lighting and the enclosure of verandahs. An order was also placed for one goods lift and two mechanical hoists which will be installed during the year 1951-52.

Observatory

Work on the Radio-Sonde Station at King's Park was commenced in December 1950, and is due to be completed in April 1951. The accommodation comprises offices, laboratories, stores, caretaker's quarters and a balloon filling shed. As the site is necessarily on the top of a hill unencumbered by other buildings to avoid the high cost of an approach road up the hillside, a cable railway has been provided for hoisting gas cylinders from a loading bay about 100 feet below the level of the Station.

Civil Aviation Department

Drawings were prepared for a Weather Station scheme incorporating the requirements not only of the Department of Civil Aviation but also the Marine Department, Royal Observatory and Royal Navy. After completion of the drawings the Naval Authorities decided to withdraw from the scheme and to erect a separate building for their own use. Commencement of building operations has, therefore, been delayed pending a settlement of various outstanding points.

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2. BUILDINGS ORDINANCE OFFICE.

The erection of new buildings on new and old sites and the reconstruction of many old buildings was carried out during the year. In particular, mention is made of the erection of large blocks of offices, several churches and cinemas. Work on some housing schemes was proceeded with and 1,037 buildings were completed. During the year it was noticed that the volume of new work was less than the preceding year.

In all, 3,097 plans were approved in respect of 5,206 buildings of which details are set out below:—

121	plans for		173	European type houses.
224	„	„	656	Chinese type houses.
29	„	„	33	Workshops and factories.
79	„	„	83	Godowns & stores.
4	„	„	4	Churches.
15	„	„	15	Theatres.
54	„	„	67	Temporary buildings.
61	„	„	199	Site plans.
116	„	„	144	Repairs.
2,328	„	„	3,750	Alterations and additions.
13	„	„	13	Schools.
3	„	„	3	Hotels.
1	„	„	1	Film Depot.
1	„	„	1	War Memorial.
3	„	„	3	Amusement Parks.
1	„	„	1	Laboratory.
20	„	„	21	Minor non-domestic buildings.
22	„	„	37	Demolitions.

Occupation certificates were issued for 224 European type, 561 Chinese type and 252 non-domestic buildings. 500 miscellaneous permits were issued.

Miscellaneous notices issued comprised 315 for dangerous buildings, 17 in respect of emergency shoring, 232 in respect of 254 drainage nuisances and 885 for removal of illegal structures. There were 13 prosecutions.

667 drain tests were carried out in various districts.

Miscellaneous inspections carried out consisted of 1,023 in respect of licensed premises, 57 in respect of collapses and landslides and 13 in respect of fires.

3. CROWN LANDS AND SURVEY OFFICE.

Crown Lands.

The total amount of revenue billed, including $288,162 collected by the District Commissioner, New Territories, as compared with the previous year was

	1949/1950	1950/1951
Premia on land sales, etc.	$4,782,653	$5,950,279
Boundary Stones and Survey Fees	26,754	44,616
Permit Fees	2,069,196	2,253,236
Plans sold to the public	2,444	1,831
	$6,881,049	$8,249,964

Two free grants have been made to charitable institutions and schools during the year, one for Hong Kong and the other for the mainland.

Permits issued for the occupation of Crown Land for short periods were of a miscellaneous character. Some details are as follows: In Hong Kong, Kowloon and New Kowloon 1,193 new permits were issued and 273 permits were cancelled for various reasons. The total number of permits in force at the end of the financial year was 4,348 and fees collected amounted to $2,177,825. Two temporary pier licences were issued and annual rent amounting to $2,802 was collected. One Encroachment Permit was issued to the Air Officer Commanding at a nominal annual fee of $1.

Demand Notes in connexion with permit fees have been issued under the new system of payment of fees annually from

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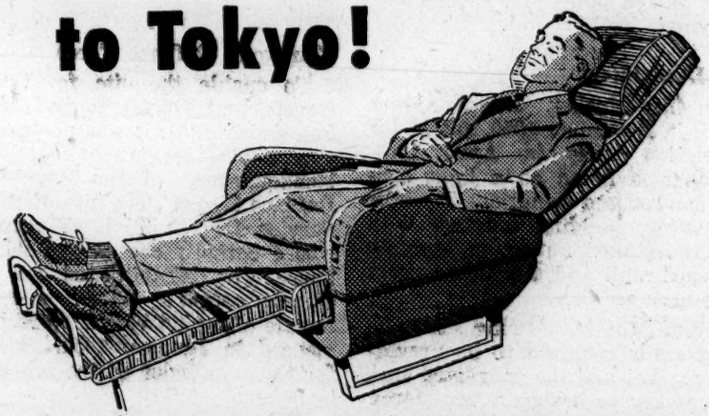

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the date of issue of the permit as recommended by the Organization and Methods Adviser. The use of the addressograph machine in the Waterworks Office has increased efficiency and speed of issue of such Demand Notes.

The number of plans prepared was 29 sets for sales, 310 sets for leases, and 125 sets for surrenders. 385 tracings and 4,544 sunprints were produced and 1 survey sheet was traced. 1,223 plans were supplied to Government Departments and 143 prints supplied to the Public realized $1,831.

The "Copycat" printing outfit produced 5,503 prints and the "Photostat" reproduction outfit produced 5,980 prints.

An 8" to 1 mile plan of Hong Kong Island in seven sheets was compiled and lithographed. Maps of Hong Kong and New Territories were also produced for the Hong Kong Annual Report.

Survey.

One minor and two tertiary stations were re-valued in Hong Kong and two beacons rebuilt during the year.

Observations were made on 3 main and 5 minor trigonometrical stations on the Island, 1 main and 1 minor station in Kowloon and New Kowloon and 5 main and 4 minor stations in the New Territories.

Surveys were made (i) for Lease Plans for 348 lots covering 24 acres, (ii) for Renewal of Leases for 50 lots covering 16½ acres and (iii) for Surrender Plans of 100 lots covering 5 acres. 199 lots covering 146 acres were set out and 1,483 boundary stones were fixed to mark 355 lots.

Nine new picket boxes were fixed, six renewed and sixty-five were revalued.

314 acres of land occupied by the Services were surveyed and areas covering 24 acres were surveyed for Government Departments. A total chainage of 116,288 feet of traverses were completed during the year.

New survey of 483 acres with a chainage of 117,550 feet and the revision of the survey of 69½ acres with a chainage of 21,434 feet were carried out.

In connexion with road widening and rebuilding schemes, 13 areas or alignments were set out and 312 building and frontage lines for 125 lots were checked. In addition 18 areas covering 133½ acres were surveyed in respect to adjustment of boundaries.

Contour Surveys up to 367 acres with a chainage of 66,614 feet, spot levelling over 1½ acres and levelling at a chainage of 12,000 feet were completed. One new bench mark was fixed and valued. The annual computation of mean sea level was carried out and recorded as 3.90 feet above Principal Datum, Hong Kong.

Valuation and Resumption.

Valuations were made during the financial year in respect of 759 hereditaments with a total estimated value of $60,248,310. These valuations were made for estate duty purposes, resumptions for street widening and other town planning improvements, purchase and sale of property by Government, renewals of Crown Leases, exchanges and other purposes. In addition Depreciation Fund contributions, premia by instalments and commutation of Crown Rent were computed.

77 Survey District Lots were resumed by notice for the Kai Tak Runway Extension, and the Crown's case presented to the resulting Arbitration Board.

Over half of the hereditaments valued were for Government Departments other than the Public Works Department.

Cash compensation paid out under the Airfield (Kai Tak) Extension and Reversion Ordinance, 1948, amounted to $1,298,758. Cash compensation paid for resumption under the Rehabilitation Loan was $95,311 for 26 lots, and paid under the same loan by the District Commissioner, New Territories, for resumption in New Territories $3,304 for 4 lots.

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4. DRAINAGE OFFICE.

The urban areas are drained by two separate sewerages systems; the larger carries off rainwater and the other foul sewage. Both systems functioned satisfactorily during the year and no major troubles arose either from typhoon and rainstorm damage or from other causes.

Stormwater Drainage.

A small amount of flooding took place in certain areas due, in some cases, to insufficient capacity of the drains and in others to chokage following erosion from partly formed building sites, etc. Measures to prevent a recurrence were taken wherever possible.

The nullah in Argyle Street between Portland Street and the Railway Bridge was replaced by a reinforced concrete culvert. This replacement proved cheaper than rebuilding the nullah walls which were damaged by subsidence and provides an extra 10 feet width of carriage-way in the busy Argyle Street and also enables through traffic to proceed along Sai Yeung Choi, Tung Choi and Sai Yee Streets thus relieving Nathan Road.

Bridges were constructed over nullahs in Hing Wah and Tonkin Streets to enable Shun Ning Road to carry through traffic to relieve Castle Peak Road. A further bridge was made at Hung Hom to serve new rice godowns.

The increased density and weight of traffic frequently brings to light the poor state of many old central district stormwater culverts. They are invariably of masonry decked with granite slabs the thickness of which varies very considerably. Opportunities such as the raising of Queen's Road Central are taken to replace them with new culverts or to replace or strengthen the deck slabs according to their state.

Waste water from squatter areas and other overcrowded localities is received into stormwater culverts which are not designed for the purpose and the pollution caused has given rise to nuisances.

Considerable quantities of sand and debris were removed from open nullahs after rainstorms. The Government Sand Monopoly uses some of this material though the quantity of clean sand available for their purposes was not as great as in former years.

Foul Sewers.

Water-borne sewage, with a few exceptions, is discharged in a crude state through sea walls direct into the harbour where it is rapidly dispersed by currents. The growth of the water carriage system, now adopted for virtually all new buildings, combined with the large population has increased the flow in the sewers and nuisances now arise at some of the outfalls.

Intensive redevelopment of the City areas and further expansion of urban development coupled with infiltration of sub-soil water and the entry of too large a proportion of rainwater has overtaxed some of the older foul sewers and surveys were carried out with the view to effecting some relief.

Anti-Malarial Works.

Channels and trained nullahs were maintained in a satisfactory condition; minor repairs in the Peak, Mt. Parker Valley, Deep Water Bay and Kowloon Tsai areas being carried out as necessary. The few complaints of mosquito breeding were dealt with without great trouble or expense. Further nullah training was carried out near South Bay Road, Repulse Bay.

Reclamation Schemes.

Stormwater and foul sewers up to 60" diameter were laid to drain landward areas through the North Point Reclamation; this work is still proceeding. Investigations were carried out for drainage works in connexion with Lai Chi Kok, Kowloon City, Hung Hom and Shaukiwan reclamations. Surveys for Causeway Bay and Central Reclamations were commenced.

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5. ELECTRICAL AND MECHANICAL OFFICE.

As in previous years this office carried out a great variety of work of an electrical and mechanical nature for other offices of the Public Works Department and for most other Government Departments, including the complete electrical installations in new buildings constructed during the year, the maintenance, repair and overhaul of upwards of 750 vehicles and some 150 items of electrical and mechanical plant and the construction in the works of special appliances and equipment.

6. PORT WORKS OFFICE.

The activities of this branch of the Department fall roughly under three main heads—the maintenance of piers, sea defences and airport; new construction on reclamations and the airport; and the assessment and planning of new Port Works projects.

Maintenance.

Maintenance of the Colony's public piers and those operated by the Hongkong and Yaumati Ferry Co. Ltd. was largely a matter of attention to their fender systems. The restoration of deteriorated reinforced concrete substructures by guniting continued and the neglect of four years of Japanese Occupation has now been largely remedied. Sea defences called for little attention except in the case of the main East and West breakwater to the Causeway Bay typhoon shelter. The replacement of some 500 square feet of pitching made good all damage to the profile.

On the airport at Kai Tak, the runway surfaces were strengthened to cope with the increasing traffic and heavier loads of the new types of commercial planes.

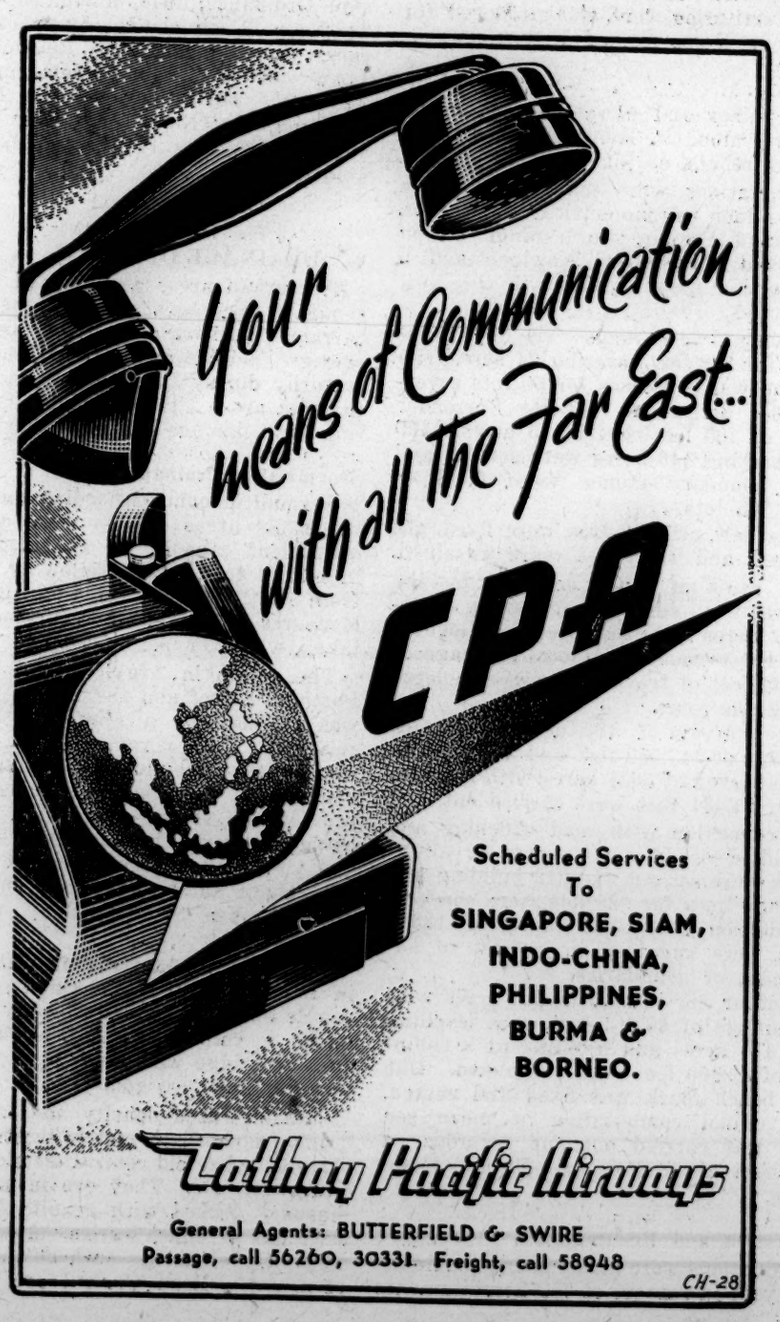
New Construction.

A contract for the construction of underwater foundations for some 4,000 lineal feet of sea wall to retain future reclamations at Kuntong Bay and at North Point, and a 1,500 ft. length of 100 ft. wide open nullah to drain the high ground behind the former bay was completed in December. In all, the contract called for 454,000 cub. yards of dredging for foundations, the dredging and dumping of 475,000 cub. yards of sand for foundations. 230,000 cub. yards of hydraulic sand fill and the quarrying and placing of 113,000 cub. yards of granite rubble. The works under the contract costing $5,613,000 were completed in the contract time of 26 months.

Kaitak Airport:—One of the more important works carried out during the year was the resurfacing of the runways at Kai Tak Airport and the construction of a new taxi track and additional hardstanding area. The original system of runways at Kai Tak had been radically changed by the Japanese during the occupation years. They had constructed new runways some 4,700 feet long of poor quality concrete on a granite bottoming averaging 10" in thickness. Although the runways might have been described as being up to Dakota standard they proved quite incapable of serving the expanding commercial traffic using Skymasters and Constellations. It was finally decided that sufficient strength could be obtained by rebuilding the worst of the Japanese work with sound foundations and good concrete, then sheeting the runways with a 3½" thick flexible surface. On the grounds of economy and time the resurfacing was reduced to a 150 feet wide strip flanked on either side by a 20 feet wide feather strip tapering in thickness from 3½" to ¾". This work on the two runways, 4,600 feet and 4,800 feet respectively, was let on contract to a British firm. As far as possible mechanical methods were used and the contractors were restricted to the four months of the year prior to the rain commencing in May. After correcting the depressions the existing concrete runways were given a tack coat by a pressure sprayer. The 2½" thick base coat was of open texture bituminous macadam of 1½" max. granite aggregate mixed in a Barber-Greene central mixing plant and spread and consolidated by a paving machine of the same make. The 1" wearing coat consisted of asphaltic concrete ⅜" max. size aggregate with granite flour substituted for the more usual Portland cement filler mixed and spread by the same plant.

Concurrently with the above work a 50 feet wide taxi track parallel to the main runway was completed. Construction was of a 4½" consolidated thickness of two coat bituminous macadam on an 18" thick bed of hardcore and granite sets.

Materials testing laboratory: — The work carried out and results achieved by this comparatively new section of the department more than justified its creation. From a small beginning a year earlier, with 150-ton Avery compression machine and some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CH-28

B.S. sieves housed in an old wooden shed re-erected at the Port Works Depot, the arrival of equipment ordered on indent in 1947 was the opportunity to demonstrate the necessity for its being. Equipment restricted work to the testing of cements and concrete, bituminous products and soil foundations. The staff of the laboratory—superintendent and two assistants—made some 3,400 tests during the year. On the contract for the construction of the 1,400' x 100' nullah at Kuntong, the design of concrete mixes for the invert slabs with subsequent field control pushed the quality of this vibrated 1:6 mix to the point when some of the 6" cubes were beyond the capacity of the compression machine (9,333 lbs. per sq. in.) at 7 days. As a direct result of this, on the next seawall contract at North Point the mix for the precast foundation blocks was reduced from 1:6 to 1:8 with a consequent valuable saving in Portland cement. On this work with a 3" max. aggregate the 1:8 mix gave a steady 7,000 lbs. per sq. in. at 28 days and on occasions the strength was as high as 9,000 lbs. per sq. in. With cement costing $170 per ton the saving in cement alone by using the controlled leaner mix represents a direct saving of approximately $40,800 on the 4,000 cub. yards of precast concrete block-work in the contract. For the next contract, now being prepared, a mix of 1:9 will be used. With a 1:8 mix the density of the heavily vibrated concrete in the blocks averaged 154 lbs. per cub. ft.

For the contract of resurfacing the runways of the airport a small laboratory was set up on the site to control the grading of the granite aggregates and bitumen content of the bituminous macadam and asphalt turned out at the central mixing plant.

Further responsibilities were the examination of foundation conditions for new Government buildings and the examination of hundreds of boring samples from the harbour bed to ascertain the possibility of obtaining suitable sand for underwater foundations in dredged trenches and some millions of cubic yards of hydraulic reclamation fill for reclamations and possible airport extensions.

7. ROADS OFFICE.

The Colony's roads are undergoing a steady transformation from a light forms of construction suited to the traffic which they had to carry twenty years ago. The main trunk roads and many of the side roads were originally constructed with four or five inches of waterbound macadam supported by the lightest of foundations and either tar-painted or covered with a bituminous sand carpet. Although they have stood up quite remarkably to the tremendous increase in the daily weight of traffic many suffered badly due to complete neglect during the period of the Japanese occupation, and are now reconstructed.

Main trunk roads carrying bus routes and heavy traffic are being constructed of vibrated concrete protected with a 1-inch wearing surface of ⅜" bituminous macadam or, where for any reason concrete is not desirable, the road is formed of a 4-inch base of 1½-inch bituminous macadam supported on a 9-inch foundation of hand-packed granite blocks and protected with a 1-inch wearing surface of ⅜" bituminous macadam.

Side roads in the City area have also been concreted in a number of cases but, particularly alongside markets and where street stalls are permitted, the bituminous surface has been omitted to permit easier washing down and to obviate the rapid surface deterioration which occurs on bituminous surfaces in contact with oils and fats.

In addition to increasing the loading on the roads the almost phenomenal increase in the number of private cars in the Colony introduced an acute shortage of parking space in the City area. Although official car parks were marked out in every available space the demand continued to be overwhelming and it was decided that the green lawns and formal gardens of Statue Square should be sacrificed. The measure is not intended to be permanent and steps had to be taken to ensure that at some future date it would be possible to make a complete reinstatement. After the area had been surveyed it was photographed from a number of angles and the Architectural Office, after numbering and scheduling every granite block, dismantled the statue plinths and the monumental pillars together with the wrought iron railings and gates and removed them to storage. The entire area to north of Chater Road was then graded to falls and covered with 3 inches of 1½-inch bituminous macadam with a wearing coat 1-inch thick of ⅜" macadam. Car parks were marked out in herring-bone pattern with feeder lanes. Two hundred cars are now parked there daily and the situation generally has been greatly eased.

8. WATERWORKS OFFICE.

Undoubtedly the most important aspect of the water supply of the Colony during 1950/51 was the ever-increasing consumption. With no addition to the resources during the year the further increase in consumption resulted in still greater restrictions in the hours of supply, which were reduced from 15.5 to 13.5 hours per day, with the exception of two days at Chinese New Year. This was necessary during the summer in order to keep consumption within the limits of filtration capacity and during the winter in order to conserve supplies.

As a result of this the distribution system is seriously overloaded when the supply is on. Much of the system has not been improved since it was installed to meet a demand of 12 million gallons per day in 24 hours, whereas now the same mains are being called upon to distribute over 30 million gallons in only 10½ hours. This implies a peak flow probably three times as much as that for which the mains were designed. Even compared with last year the average rate of distribution per hour increased by 14.3%. A start was made in the last quarter of the year on a large-scale main-laying programme designed to eliminate the bottlenecks in the distribution system.

With increasing consumption, it became necessary to speed up Waste Detection work and in November the first area was tested. The value of this work was soon demonstrated and by the end of the year it was estimated that a wastage of 0.856 million gallons per day had been eliminated.

With the delivery of more meters and in the interest of reduction of waste it was possible before the end of the year to return to universal metering, including all supplies to Government Buildings

WHEELOCK MARDEN & COMPANY, LIMITED

NOTICE is hereby given that the Annual General Meeting of Shareholders will be held at the Registered Office of the Company 701/7 Edinburgh House, Hong Kong, on Wednesday, 5th December, 1951, at 10.30 a.m. for the following purposes:—

1. To receive and consider the Directors' Report and Statement of Accounts for year ended 31st March, 1951.
2. To declare a Dividend.
3. To elect Directors.
4. To appoint Auditors.
5. To transact any other ordinary business of the Company.

The Transfer Books of the Company will be closed from the 21st November to 5th December, 1951, both days inclusive.

By Order of the Board of Directors,

W. G. E. LANNAMAN,
Secretary.

Hongkong, 8th Nov., 1951.

though this has not yet been in operation long enough to provide complete statistics. The total number of metered services was increased from 27,511 to 32,037 during the year.

Replacement of the two steam-engined pumping plants with diesel and electric-driven pumps was commenced towards the end of the year with the receipt of some of the engines and pumps from the United Kingdom.

An event of major importance in view of the ever-increasing amount of work being carried out in Kowloon was the completion of a new depot in the Mongkok district of Kowloon.

Rainfall for the year as recorded at the Royal Observatory was 83.49 inches, 0.77 inches less than the average for the period 1884-1938. The rainfall on the Waterworks catchment areas, however, varied from 46.36 inches at Yuen Long to 101.02 inches at Shing Mun.

The total consumption of water from the Waterworks excluding the 317 million gallons supplied by the New Territories village works was 12,226 million gallons, or a daily average of 33.5 million gallons. This was only 0.15 million gallons per day less than last year although the hours of supply were reduced by almost 13% and is more than accounted for by the savings due to Waste Detection. The reduction in the total supply was reflected in a slightly better storage position at the end of the year with which to commence the critical months of April and May.

The total of 12,226 million gallons supplied during the year was distributed as to 4,556 million gallons on the mainland and 7,670 million gallons on the Island of which 2,285 million gallons or 29.8% were supplied via the cross-harbour mains from the mainland reservoirs.

The purity of the supply was maintained at a high standard. Only 1% of the samples taken for bacteriological analysis at service reservoirs was below the standard of B. Coli absent in 100 c.c. and in no case was B. Coli present in 50 c.c. Of samples taken at taps under 6% showed B. Coli present in 100 c.c. or less, compared with 11% last year. Most of these cases were ascribed, on investigation, to faulty inside services. As regards chemical analysis the reports were 100% satisfactory. The sampling and testing for bacteriological and chemical analyses were carried out by the Government Pathologist and Government Chemist respectively.

The distribution of the 12,226 million gallons necessitated the pumping of 2,766 million gallons before filtration and 2,667 million gallons after filtration. This latter figure is more than double that for 1949/50 due almost entirely to the concentration of filtration at the new rapid gravity filters at Eastern and the conversion of the Bowen Road raw water gravity conduit to a filtered water pumping main.

HONGKONG UNIVERSITY ECONOMICS SOCIETY

Annual Report of the Economics Society for the Academic Year 1950—1951:— The Economics Society of the University of Hongkong was officially revived at a meeting held on the March, 1951, at the Jordan Memorial Library.

The following were elected office-bearers:—

Prof. E. S. Kirby, President. Rev. Fr. M. Mansfield, Vice-president. Mr. Arthur Yuan, Graduate vice-president Mr. Robert Low, Chairman. Mr. John Swaine, Hon. Secretary. Mr. Casey Mei, Hon. Treasurer.

The Honorary Vice-Presidents of the Society are: Sir Arthur Morse and Mr. C. C. Roberts.

Membership of the Economics Society is comprised of Ordinary Members and Associate Members. There are at present 60 Ordinary Members and 16 Associate Members.

A meeting of the Economics Society held on the 3rd April, 1951, at which the President spoke on the subject, "Western Economics and the Far East."

Owing to the fact that the Economics Society was revived late in the year, no further meetings could be arranged. The Society will be actively engaged this present academic year.

Merger of

BANK OF AUSTRALASIA, Established 1835,
and THE UNION BANK OF AUSTRALIA LIMITED,
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HEAD OFFICE:
71 Cornhill, London, E.C.3.

Capital Authorised	(£Eng.17,000,000)	£A21,250,000
Capital Paid Up	(£Eng. 8,500,000)	£A10,625,000
Reserve Liability of Shareholders .	(£Eng. 8,500,000)	£A10,625,000
Reserve Funds	(£Eng. 5,750,000)	£A 7,187,000

TOTAL ASSETS EXCEED £A400,000,000

Over 700 branches and agencies throughout Australia and New Zealand, in Fiji, and in London.

HONGKONG IMPORTS & EXPORTS OF SELECTED COMMODITIES

FOR THE MONTH OF OCTOBER, 1951

Wolfram

Countries	Imports Quantity Piculs	Imports Value $	Exports Quantity Piculs	Exports Value $
United Kingdom	—	—	173	273,340
Holland	—	—	270	430,000
TOTAL	—	—	443	703,340

Antimony

Formosa	—	—	9	12,000
TOTAL	—	—	9	12,000

Tin ingots of Chinese origin

Formosa	—	—	287	275,770
TOTAL	—	—	287	275,770

Tin ingots, not elsewhere stated

Malaya (Br.)	588	507,790	—	—
Formosa	—	—	23	22,000
TOTAL	588	507,790	23	22,000

Tinned plates

United Kingdom	13,908	1,575,752	—	—
Canada	1,301	151,854	—	—
Malaya (Br.)	100	5,750	—	—
Japan	2,330	369,312	—	—
TOTAL	17,639	2,102,668	—	—

Aniseed oil

United Kingdom	—	—	159	153,380
India	—	—	1	1,138
France	—	—	356	342,581
Pakistan	—	—	1	700
Belgium	—	—	3	3,213
China, South	1,054	1,047,498	—	—
Denmark	—	—	3	3,000
Germany	—	—	101	90,630
Japan	—	—	4	3,881
TOTAL	1,054	1,047,498	628	598,523

Cassia oil

Pakistan	—	—	1	800
Belgium	—	—	3	6,300
China, South	66	113,991	—	—
Holland	—	—	9	17,483
Japan	—	—	10	19,533
Formosa	—	—	2	2,900
TOTAL	66	113,991	25	47,016

Coco-nut (copra) oil, refined

Malaya (Br.)	1,710	247,528	—	—
North Borneo	30	3,200	—	—
China, Middle (excluding Formosa)	—	—	340	41,387
Macao	—	—	66	8,645
TOTAL	1,740	250,728	406	50,032

Linseed oil

India	323	66,038	—	—
Formosa	—	—	22	4,900
Macao	—	—	5	1,300
TOTAL	323	66,038	27	6,200

Groundnut (peanut) oil

Australia	—	—	4	1,245
Malaya (Br.)	681	146,460	511	122,294
North Borneo	—	—	54	11,956
Br. Commonwealth, Other	—	—	29	6,514
China, Middle (excluding Formosa)	4,160	904,880	15	3,000
China, South	1,412	301,168	—	—
French Indochina	1,121	209,920	—	—
Japan	320	65,250	—	—
Macao	—	—	1,070	233,402
Indonesia	11,232	2,291,317	—	—
Thailand	5,196	1,097,965	—	—
TOTAL	24,122	5,016,960	1,683	378,411

Sesamum oil

Countries	Imports Quantity Piculs	Imports Value $	Exports Quantity Piculs	Exports Value $
Australia	—	—	3	490
Canada	—	—	16	5,170
Malaya (Br.)	—	—	166	56,616
North Borneo	—	—	5	2,000
New Zealand	—	—	5	1,644
China, Middle (excluding Formosa)	2	600	—	—
Central America	—	—	1	145
Macao	—	—	6	1,072
Indonesia	—	—	1	225
Philippines	—	—	17	4,880
South America	—	—	2	248
U.S.A.	—	—	23	8,829
Others	—	—	1	54
TOTAL	2	600	246	81,373

Soya bean oil

Australia	—	—	1,008	169,344
U.S.A.	17	2,900	—	—
TOTAL	17	2,900	1,008	169,344

Tea seed oil

Macao	—	—	2	420
Thailand	—	—	5	1,100
TOTAL	—	—	7	1,520

Wood oil (in drums)

Australia	—	—	7,378	2,001,561
India	—	—	336	93,695
Malaya (Br.)	—	—	157	44,537
North Borneo	—	—	27	7,399
China, North	641	216,000	—	—
China, South	950	208,024	—	—
Germany	—	—	84	23,760
Italy	—	—	84	22,200
Korea, South	—	—	62	17,346
Macao	—	—	30	7,720
Norway	—	—	17	4,970
Thailand	—	—	108	19,362
Formosa	—	—	64	17,025
TOTAL	1,591	424,024	8,347	2,259,575

Wood oil (in bulk)

United Kingdom	—	—	8,622	2,115,729
China, North	2,254	688,390	—	—
China, South	8,697	2,073,992	—	—
Germany	—	—	4,569	1,148,800
Holland	—	—	4,284	1,062,396
TOTAL	10,951	2,762,382	17,475	4,326,925

Other oils from seeds, nuts and kernels

Formosa	—	—	120	35,130
Philippines	75	11,400	—	—
U.S.A.	4	1,540	—	—
Macao	—	—	15	1,290
TOTAL	79	12,940	135	36,420

Bristles

United Kingdom	—	—	29	72,028
Pakistan	—	—	7	23,500
China, North	1,226	6,548,154	—	—
China, South	946	3,204,400	—	—
Formosa	17	18,640	5	9,815
Korea, South	59	262,407	—	—
U.S.A.	—	—	650	3,931,442
TOTAL	2,248	10,033,601	691	4,036,785

Rubber, raw

Malaya (Br.)	5,735	1,748,446	—	—
North Borneo	853	269,496	—	—
Br. Commonwealth, Other	168	57,615	—	—
Others	252	120,000	—	—
TOTAL	7,008	2,195,557	—	—

HONGKONG'S PRINCIPAL TRADING PARTNERS

TOTAL VALUES OF IMPORTS & EXPORTS BY COUNTRIES FOR AUGUST, 1951

Details are given below of Hongkong's trade with some of the countries not included in the accompanying tables, which give particulars of imports and exports by countries during August. (Tables in respect of the May, June and July figures appeared in the REVIEW Vol. XI of Oct. 4, No. 14; Oct. 25, No. 17; and Nov. 8, No. 19).

Australia—Imports HK$3.87 million; exports $6.99 million. Main imports: Meat $1.3 million; manufactured products of cereals $577,900. Main exports: Vegetable oils $1.19 million; textile fabrics & small wares $2.97 m.; manufactured articles $820,000.

Czechoslovakia—Imports $474,128; exports Nil. Main imports: Clothing & underwear of textile materials $113,700; paper $94,500.

Germany—Imports $17.03 million; exports $1.59 m. Main imports: Chemicals & pharmaceuticals $4.52 m.; dyes $2.98 m.; manuf. of base metals $2.46 m.; manuf. articles $2.82 m.; paper $850,500. Main exports: Dairy products $338,500; non-ferrous base metals $267,800; oil-seeds $250,500; miscel. crude or simply prepared products $331,500.

Netherlands—Imports $8.47 million; exports $2.87 m. Main imports: Chemicals $3.07 m.; dairy products $767,400; vegetable oils $647,800; paper $692,700; textile fabrics & small wares $761,300. Main exports: Oil-seeds $710,600; vegetable oils $416,000; non-ferrous base metals $730,000.

Switzerland—Imports $16.18 million; exports $114,487. Main imports: Machinery, apparatus & appliances other than electrical $6.97 m.; manuf. articles $6.65 m.; dyes $783,700; chemicals $656,800.

UNITED KINGDOM

Articles	Imports	Exports
	$	$
Meat and preparations thereof	2,130	1,000
Dairy products, eggs and honey	429,475	5,550
Fishery products, for food	58,548	4,826
Cereals	1,244	—
Manufactured products of cereals, chiefly for human food	818,621	—
Fruits and nuts, except oil-nuts	29,327	42,220
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	27,526	296,148
Sugar and sugar confectionery	180,222	—
Coffee, tea, cocoa and preparations thereof; spices	132,590	519,943
Beverages and vinegars	660,103	—
Feeding stuffs for animals, n.e.s.	1,880,788	1,284,263
Animal and vegetable oils, fats, greases and waxes and their manufactures, n.e.s.	260,802	1,682,623
Chemical elements and compounds; pharmaceutical products	6,423,676	171,074
Dyeing, tanning and colouring substances (not including crude materials)	1,561,324	3,060
Essential oils, perfumery, cosmetics, soaps and related products	1,044,215	381,539
Rubber and manufactures thereof, n.e.s.	5,285,999	—
Wood, cork and manufactures thereof	35,597	15,095
Pulp, paper and cardboard and manufactures thereof	911,553	18
Hides and skins and leather	517,340	258,777
Manufactures of leather, not including articles of clothing	34,509	330
Textile materials, raw or simply prepared	664,955	44,000
Yarns and threads	1,495,844	27,100
Textile fabrics and small wares	6,148,915	6,459,019
Special and technical textile articles	493,854	—
Clothing and underwear of textile materials; hats of all materials	1,055,260	541,140
Clothing of leather and fur	18,939	—
Footwear: boots, shoes and slippers	141,177	1,057,022
Made-up articles of textile materials other than clothing	188,142	15,491
Products for heating, lighting and power, lubricants and related products, n.e.s.	919,383	—
Non-metallic minerals, crude or simply prepared, n.e.s.	210,776	11,084
Pottery and other clay products	213,302	8,500
Glass and glassware	85,871	—
Manufactures of non-metallic minerals, n.e.s.	332,783	—
Precious metals and precious stones, pearls and articles made of these materials	182,330	137,410
Ores, slag, cinder	26,375	299,938
Iron and steel	1,253,660	53,230
Non-ferrous base metals	361,476	1,479,321
Manufactures of base metals, n.e.s.	1,604,574	404,194
Machinery, apparatus and appliances other than electrical, n.e.s.	3,087,311	2,500
Electrical machinery, apparatus and appliances	3,016,520	91,426
Vehicles and transport equipment, n.e.s.	2,305,166	—
Miscellaneous crude or simply prepared products, n.e.s.	15,100	788,005
Manufactured articles, n.e.s.	1,846,079	382,978
Total Merchandise	45,463,381	16,468,824
Gold and specie	—	174,524
Grand Total	45,463,381	16,643,348

CEYLON

Articles	Imports	Exports
	$	$
Fruits and nuts, except oil-nuts	10,500	1,450
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	—	92,897
Sugar and sugar confectionery	—	8,655
Coffee, tea, cocoa and preparations thereof; spices	230,375	—
Textile materials, raw or simply prepared	10,823	—
Textile fabrics and small wares	—	3,465

Clothing and underwear of textile materials; hats of all materials	—	43,836
Footwear: boots, shoes and slippers	—	14,008
Non-metallic minerals, crude or simply prepared, n.e.s.	4,579	—
Glass and glassware	—	2,150
Precious metals and precious stones, pearls and articles made of these materials	11,588	—
Manufactures of base metals, n.e.s.	6,700	6,531
Electrical machinery, apparatus and appliances	—	15,700
Miscellaneous crude or simply prepared products, n.e.s.	—	3,443
Manufactured articles, n.e.s.	2,946	15,658
Total	277,511	207,793

INDIA

Articles	Imports	Exports
	$	$
Meat and preparations thereof	30,500	56
Fishery products, for food	29,748	317
Manufactured products of cereals, chiefly for human food	—	1,997
Fruits and nuts, except oil-nuts	88,278	5,686
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	1,263	19,174
Sugar and sugar confectionery	—	431
Coffee, tea, cocoa and preparations thereof; spices	5,104	—
Tobacco	2,249,310	—
Oil-seeds, nuts and kernels	—	6,120
Animal and vegetable oils, fats, greases and waxes and their manufactures, n.e.s.	—	149,240
Chemical elements and compounds; pharmaceutical products	232,694	238,099
Dyeing, tanning and colouring substances (not including crude materials)	124,079	40,264
Essential oils, perfumery, cosmetics, soaps and related products	30,193	16,975
Rubber and manufactures thereof, n.e.s.	2,000	—
Wood, cork and manufactures thereof	64,900	—
Pulp, paper and cardboard and manufactures thereof	—	431
Hides and skins and leather	33,520	—
Textile materials, raw or simply prepared	392,800	—
Yarns and threads	421,436	—
Textile fabrics and small wares	331,139	16,066
Special and technical textile articles	10,730	—
Clothing and underwear of textile materials; hats of all materials	—	118
Footwear: boots, shoes and slippers	690	—
Made-up articles of textile materials other than clothing	2,796,357	—
Products for heating, lighting and power, lubricants and related products, n.e.s.	2,280,759	—
Non-metallic minerals, crude or simply prepared, n.e.s.	10,518	—
Pottery and other clay products	—	7,500
Manufactures of base metals, n.e.s.	—	218,465
Electrical machinery, apparatus and appliances	8,784	144,489
Miscellaneous crude or simply prepared products, n.e.s.	139,458	355,524
Manufactured articles, n.e.s.	5,975	22,404
Total	9,290,235	1,243,356

MALAYA

Articles	Imports	Exports
	$	$
Meat and preparations thereof	—	340,147
Dairy products, eggs and honey	—	1,124,030
Fishery products, for food	165,727	1,140,324
Cereals	17,825	3,060
Manufactured products of cereals, chiefly for human food	45,500	151,329
Fruits and nuts, except oil-nuts	71,730	1,402,379
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	130,355	3,819,405
Sugar and sugar confectionery	12,000	4,736,140
Coffee, tea, cocoa and preparations thereof; spices	546,465	1,070,536
Beverages and vinegars	122,395	233,233
Feeding stuffs for animals, n.e.s.	—	719,765
Tobacco	—	452,529
Oil-seeds, nuts and kernels	4,400	277,092
Animal and vegetable oils, fats, greases and waxes and their manufactures, n.e.s.	900,847	292,190
Chemical elements and compounds; pharmaceutical products	262,611	1,065,943
Dyeing, tanning and colouring substances (not including crude materials)	449,784	261,727
Essential oils, perfumery, cosmetics, soaps and related products	495,071	267,045
Rubber and manufactures thereof, n.e.s.	1,480,422	1,000
Wood, cork and manufactures thereof	1,027,681	148,313
Pulp, paper and cardboard and manufactures thereof	140,197	1,814,486
Hides and skins and leather	218,121	—
Manufactures of leather, not including articles of clothing	—	193,686
Textile materials, raw or simply prepared	5,000	60,350
Yarns and threads	203,520	102,836
Textile fabrics and small wares	87,777	1,243,319
Special and technical textile articles	228	469,642
Clothing and underwear of textile materials; hats of all materials	5,308	6,196,510
Clothing of leather and fur	1,089	—
Footwear: boots, shoes and slippers	43,200	107,268
Made-up articles of textile materials other than clothing	700	399,050
Products for heating, lighting and power, lubricants and related products, n.e.s.	71,115	—
Non-metallic minerals, crude or simply prepared, n.e.s.	—	112,321
Pottery and other clay products	—	148,233
Glass and glassware	110,528	190,831
Manufactures of non-metallic minerals, n.e.s.	77,675	36,315
Precious metals and precious stones, pearls and articles made of these materials	44,565	465,471
Iron and steel	134,400	185,000
Non-ferrous base metals	483,900	—

Manufactures of base metals, n.e.s.	506,478	1,262,091
Machinery, apparatus and appliances other than electrical, n.e.s.	72,807	224,909
Electrical machinery, apparatus and appliances	104,922	225,323
Vehicles and transport equipment n.e.s.	390,827	86,410
Miscellaneous crude or simply prepared products, n.e.s.	816,498	2,166,807
Manufactured articles, n.e.s.	484,682	4,617,741
Total	9,736,350	37,814,781

NORTH BORNEO (British)

Articles	Imports $	Exports $
Meat and preparations thereof	—	4,581
Dairy products, eggs and honey	—	43,196
Fishery products, for food	40,518	11,048
Manufactured products of cereals, chiefly for human food	—	40,073
Fruits and nuts, except oil-nuts	80,439	64,249
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	20,750	52,590
Sugar and sugar confectionery	—	18,834
Coffee, tea, cocoa and preparations thereof; spices	—	8,581
Beverages and vinegars	—	77,135
Tobacco	—	15,917
Oil-seeds, nuts and kernels	—	3,379
Animal and vegetable oils, fats, greases and waxes and their manufactures, n.e.s.	1,939	23,279
Chemical elements and compounds; pharmaceutical products	—	31,766
Dyeing, tanning and colouring substances (not including crude materials)	—	33,082
Essential oils, perfumery, cosmetics, soaps and related products	—	10,274
Rubber and manufactures thereof, n.e.s.	84,636	2
Wood, cork and manufactures thereof	1,287,013	10,655
Pulp, paper and cardboard and manufactures thereof	—	21,193
Hides and skins and leather	9,530	—
Manufactures of leather, not including articles of clothing	—	25,324
Textile fabrics and small wares	—	70
Special and technical textile articles	—	3,515
Clothing and underwear of textile materials; hats of all materials	—	46,947
Footwear: boots, shoes and slippers	—	16,818
Made-up articles of textile materials other than clothing	—	22,728
Products for heating, lighting and power, lubricants and related products, n.e.s.	—	2,636
Non-metallic minerals, crude or simply prepared, n.e.s.	—	29,989
Pottery and other clay products	390	2,639
Glass and glassware	—	11,191
Manufactures of non-metallic minerals, n.e.s.	—	798
Iron and steel	36,000	31,752
Manufactures of base metals, n.e.s.	5,365	25,684
Machinery, apparatus and appliances other than electrical, n.e.s.	—	2,395
Electrical machinery, apparatus and appliances	500	1,033
Vehicles and transport equipment n.e.s.	—	19,500
Miscellaneous crude or simply prepared products, n.e.s.	180,582	38,795
Manufactured articles, n.e.s.	2,262	42,651
Total Merchandise	1,749,924	794,299
Gold and specie	—	76,500
Grand Total	1,749,924	870,799

PAKISTAN

Articles	Imports $	Exports $
Fishery products, for food	80,225	—
Animal and vegetable oils, fats, greases and waxes and their manufactures, n.e.s.	—	3,000
Chemical elements and compounds; pharmaceutical products	—	2,600
Rubber and manufactures thereof, n.e.s.	—	80
Pulp, paper and cardboard and manufactures thereof	—	40
Textile materials, raw or simply prepared	3,505,289	24,860
Yarns and threads	—	1,046,808
Textile fabrics and small wares	—	129,288
Clothing and underwear of textile materials; hats of all materials	—	7,966
Pottery and other clay products	—	3,182
Glass and glassware	—	8,400
Manufactures of base metals, n.e.s.	—	17,697
Miscellaneous crude or simply prepared products, n.e.s.	4,250	—
Manufactured articles, n.e.s.	—	34,127
Total	3,589,764	1,278,048

BURMA

Articles	Imports $	Exports $
Dairy products, eggs and honey	—	22,250
Fishery products, for food	—	16,065
Manufactured products of cereals, chiefly for human food	—	4,477
Fruits and nuts, except oil-nuts	—	19,156
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	—	4,884
Coffee, tea, cocoa and preparations thereof; spices	—	2,181
Beverages and vinegars	—	11,620
Tobacco	—	12,134
Chemical elements and compounds; pharmaceutical products	—	54,559
Dyeing, tanning and colouring substances (not including crude materials)	—	38,345
Essential oils, perfumery, cosmetics, soaps and related products	—	1,481
Rubber and manufactures thereof, n.e.s.	—	640
Wood, cork and manufactures thereof	—	900

Pulp, paper and cardboard and manufactures thereof	—	294,884
Yarns and threads	—	3,048,100
Textile fabrics and small wares	—	35,481
Special and technical textile articles	—	640
Clothing and underwear of textile materials: hats of all materials	—	110,633
Footwear: boots, shoes and slippers	—	11,620
Made-up articles of textile materials other than clothing	—	6,600
Pottery and other clay products	—	12,000
Glass and glassware	—	2,900
Precious metals and precious stones, pearls and articles made of these materials	11,891	—
Manufactures of base metals, n.e.s.	—	127,873
Machinery, apparatus and appliances other than electrical, n.e.s.	—	3,300
Electrical machinery, apparatus and appliances	—	86,437
Vehicles and transport equipment, n.e.s.	—	16,903
Miscellaneous crude or simply prepared products, n.e.s.	68,426	59,450
Manufactured articles, n.e.s.	—	84,050
Total	80,317	4,089,563

CHINA, NORTH

Articles	Imports $	Exports $
Meat and preparations thereof	192,310	—
Dairy products, eggs and honey	87,140	—
Fishery products, for food	101,684	—
Cereals	7,980	—
Manufactured products of cereals, chiefly for human food	280,621	—
Fruits and nuts, except oil-nuts	459,160	—
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	2,378,248	—
Sugar and sugar confectionery	7,200	—
Coffee, tea, cocoa and preparations thereof; spices	374,000	61,213
Beverages and vinegars	580,330	428
Feeding stuffs for animals, n.e.s.	1,014,886	—
Tobacco	—	25,437
Oil-seeds, nuts and kernels	3,646,050	—
Animal and vegetable oils, fats, greases and waxes and their manufactures, n.e.s.	1,247,287	696,269
Chemical elements and compound; pharmaceutical products	311,767	7,435,621
Dyeing, tanning and colouring substances (not including crude materials)	8,843	4,419,826
Essential oils, perfumery, cosmetics, soaps and related products	45,308	283,298
Fertilizers	—	287,705
Rubber and manufactures thereof, n.e.s.	—	27,050
Wood, cork and manufactures thereof	88,775	148,034
Pulp, paper and cardboard and manufactures thereof	108,389	2,989,965
Manufactures of leather, not including articles of clothing	5,000	43,125
Furs, not made up	39,000	—
Textile materials, raw or simply prepared	1,737,065	2,309,214
Yarns and threads	—	11,000
Textile fabrics and small wares	1,288,812	2,621,744
Special and technical textile articles	109,483	74,334
Clothing and underwear of textile materials; hats of all materials	78,829	—
Clothing of leather and fur	6,000	—
Footwear: boots, shoes and slippers	25,660	—
Made-up articles of textile materials other than clothing	208,378	57,000
Products for heating, lighting and power, lubricants and related products, n.e.s.	—	84,000
Non-metallic minerals, crude or simply prepared, n.e.s.	108,128	296,301
Pottery and other clay products	38,786	12,000
Glass and glassware	22,383	69,796
Manufactures of non-metallic minerals, n.e.s.	4,035	209,587
Manufactures of base metals, n.e.s.	178,142	1,384,681
Machinery, apparatus and appliances other than electrical, n.e.s.	1,500	5,015,570
Electrical machinery, apparatus and appliances	—	825,421
Vehicles and transport equipment, n.e.s.	—	2,350
Miscellaneous crude or simply prepared products, n.e.s.	1,625,449	738,266
Manufactured articles, n.e.s.	405,312	2,199,428
Total	16,821,940	32,328,663

CHINA, CENTRAL (excluding Formosa)

Articles	Imports $	Exports $
Live animals, chiefly for food	44,436	—
Dairy products, eggs and honey	161,520	144,972
Fishery products, for food	119,296	—
Manufactured products of cereals, chiefly for human food	—	38,824
Fruits and nuts, except oil-nuts	420,243	4,800
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	981,285	423
Sugar and sugar confectionery	—	471,170
Coffee, tea, cocoa and preparations thereof; spices	167,742	86,300
Beverages and vinegars	27,440	50,385
Oil-seeds, nuts and kernels	1,240	—
Animal and vegetable oils, fats, greases and waxes and their manufactures, n.e.s.	—	24,060
Chemical elements and compounds; pharmaceutical products	8,746	467,451
Dyeing, tanning and colouring substances (not including crude materials)	—	60,303
Essential oils, perfumery, cosmetics, soaps and related products	—	138,459
Fertilizers	—	2,624,924
Wood, cork and manufactures thereof	45,435	—
Pulp, paper and cardboard and manufactures thereof	608,407	256,780
Manufactures of leather, not including articles of clothing	—	1,780
Yarns and threads	—	3,860
Textile fabrics and small wares	1,028,461	245,517
Special and technical textile articles	176,700	—
Clothing and underwear of textile materials; hats of all materials	—	97,918

Footwear: boots, shoes and slippers	—	8,470
Made-up articles of textile materials other than clothing	—	12,600
Products for heating, lighting and power, lubricants and related products, n.e.s.	—	8,234
Non-metallic minerals, crude or simply prepared, n.e.s.	4,000	—
Pottery and other clay products	147,440	—
Glass and glassware	—	300
Manufactures of non-metallic minerals, n.e.s.	5,220	475
Manufactures of base metals, n.e.s.	3,800	13,800
Machinery, apparatus and appliances other than electrical, n.e.s.	—	1,150
Electrical machinery, apparatus and appliances	—	10,312
Miscellaneous crude or simply prepared products, n.e.s.	344,523	53,947
Manufactured articles, n.e.s.	45,040	43,254
Total	4,340,974	4,868,468

CHINA, SOUTH

Articles	Imports $	Exports $
Live animals, chiefly for food	4,351,048	—
Meat and preparations thereof	76,022	—
Dairy products, eggs and honey	3,216,671	40,230
Fishery products, for food	737,105	3,291
Cereals	6,532	—
Manufactured products of cereals, chiefly for human food	34,965	—
Fruits and nuts, except oil-nuts	1,067,649	—
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	3,426,151	57,395
Sugar and sugar confectionery	—	3,680
Coffee, tea, cocoa and preparations thereof; spices	1,132,752	1,368,667
Beverages and vinegars	—	1,200
Feeding stuffs for animals, n.e.s.	538,618	—
Oil-seeds, nuts and kernels	222,887	—
Animal and vegetable oils, fats, greases and waxes and their manufactures, n.e.s.	5,830,362	235,480
Chemical elements and compounds; pharmaceutical products	226,544	20,412,951
Dyeing, tanning and colouring substances (not including crude materials)	88,576	8,062,240
Essential oils, perfumery, cosmetics, soaps and related products	99,840	162,862
Fertilizers	18,821	654,669
Rubber and manufactures thereof, n.e.s.	—	3,300
Wood, cork and manufactures thereof	2,030,221	348,243
Pulp, paper and cardboard and manufactures thereof	750,115	8,657,655
Manufactures of leather, not including articles of clothing	—	3,450
Furs, not made up	82,000	—
Textile materials, raw or simply prepared	1,886,443	—
Yarns and threads	900	370,648
Textile fabrics and small wares	1,127,490	5,735,905
Special and technical textile articles	33,455	129,257
Clothing and underwear of textile materials; hats of all materials	16,650	—
Made-up articles of textile materials other than clothing	—	3,125,596
Products for heating, lighting and power, lubricants and related products, n.e.s.	89,031	137,268
Non-metallic minerals, crude or simply prepared, n.e.s.	306,702	465,720
Pottery and other clay products	265,937	9,600
Glass and glassware	—	170,500
Manufactures of non-metallic minerals, n.e.s.	3,991	254,006
Ores, slag, cinder	18,000	—
Iron and steel	—	80,000
Manufactures of base metals, n.e.s.	57,135	3,030,939
Machinery, apparatus and appliances other than electrical, n.e.s.	—	3,826,399
Electrical machinery, apparatus and appliances	7,800	1,324,220
Vehicles and transport equipment, n.e.s.	2,500	463,125
Miscellaneous crude or simply prepared products, n.e.s.	2,846,104	1,592,983
Manufactured articles, n.e.s.	1,104,980	4,240,624
Total	31,703,997	64,972,103

FORMOSA

Articles	Imports $	Exports $
Meat and preparations thereof	—	21,020
Dairy products, eggs and honey	—	793,314
Fishery products, for food	900	22,036
Manufactured products of cereals, chiefly for human food	—	671,428
Fruits and nuts, except oil-nuts	230,553	12,225
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	40,572	1,072,989
Sugar and sugar confectionery	—	4,260
Coffee, tea, cocoa and preparations hereof; spices	696,850	2,580
Beverages and vinegars	—	42,826
Feeding stuffs for animals, n.e.s.	—	394,154
Tobacco	—	12,742
Oil-seeds, nuts and kernels	—	1,653,773
Animal and vegetable oils, fats, greases and waxes and their manufactures, n.e.s.	—	260,097
Chemical elements and compounds; pharmaceutical products	38,887	746,886
Dyeing, tanning and colouring substances (not including crude materials)	—	570,934
Essential oils, perfumery, cosmetics, soaps and related products	736,720	181,994
Rubber and manufactures thereof, n.e.s.	—	130
Wood, cork and manufactures thereof	—	229,289
Pulp, paper and cardboard and manufactures thereof	102,686	548,483
Hides and skins and leather	—	213,810
Manufactures of leather, not including articles of clothing	—	280
Textile materials, raw or simply prepared	—	106,037
Yarns and threads	—	505,310
Textile fabrics and small wares	—	17,616
Special and technical textile articles	16,700	48,718

Clothing and underwear of textile materials; hats of all materials	16,350	1,610
Footwear: boots, shoes and slippers	—	3,500
Made-up articles of textile materials other than clothing	—	2,975
Non-metallic minerals, crude or simply prepared, n.e.s.	—	384,523
Pottery and other clay products	—	4,247
Glass and glassware	—	96,687
Manufactures of non-metallic minerals, n.e.s.	—	7,727
Ores, slag, cinder	—	11,216
Iron and steel	—	3,960
Non-ferrous base metals	—	331,920
Manufactures of base metals, n.e.s.	125	304,339
Machinery, apparatus and appliances other than electrical, n.e.s.	—	77,850
Electrical machinery, apparatus and appliances	—	60,424
Vehicles and transport equipment, n.e.s.	—	5,281
Miscellaneous crude or simply prepared products, n.e.s.	787,282	323,997
Manufactured articles, n.e.s.	28,700	347,473
Total	2,696,325	10,100,660

INDOCHINA

Articles	Imports $	Exports $
Dairy products, eggs and honey	—	12,000
Fishery products, for food	162,374	19,570
Cereals	2,435,064	—
Manufactured products of cereals, chiefly for human food	—	131,316
Fruits and nuts, except oil-nuts	81,865	321,782
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	318,987	962,195
Sugar and sugar confectionery	321,857	5,214
Coffee, tea, cocoa and preparations thereof; spices	—	47,281
Beverages and vinegars	—	46,986
Tobacco	—	15,371
Oil-seeds, nuts and kernels	108,907	36
Animal and vegetable oils, fats, greases and waxes and their manufactures, n.e.s	58,753	—
Chemical elements and compounds; pharmaceutical products	—	71,184
Dyeing, tanning and colouring substances (not including crude materials)	—	4,180
Wood, cork, and manufactures thereof	—	1,322
Pulp, paper and cardboard and manufactures thereof	—	55,174
Hides and skins and leather	327,011	—
Textile materials, raw or simply prepared	27,000	—
Textile fabrics and small wares	—	85
Special and technical textile articles	—	580
Clothing and underwear of textile materials; hats of all materials	—	498
Footwear: boots, shoes and slippers	—	61,728
Made-up articles of textile materials other than clothing	—	493,959
Products for heating, lighting and power, lubricants and related products, n.e.s.	548,800	—
Non-metallic minerals, crude or simply prepared, n.e.s.	—	4,300
Pottery and other clay products	—	145
Manufactures of non-metallic minerals, n.e.s.	—	280
Iron and steel	3,657	525,932
Non-ferrous base metals	225,005	7,132
Manufactures of base metals, n.e.s.	—	11,590
Machinery, apparatus and appliances other than electrical, n.e.s.	—	41,120
Electrical machinery, apparatus and appliances	—	30,855
Vehicles and transport equipment, n.e.s.	—	12,780
Miscellaneous crude or simply prepared products, n.e.s.	1,078,693	993,058
Manufactured articles, n.e.s.	4,800	77,745
Total	5,702,773	3,955,398

JAPAN

Articles	Imports $	Exports $
Live animals, chiefly for food	207,200	—
Dairy products, eggs and honey	—	6,480
Fishery products, for food	354,628	13,481
Manufactured products of cereals, chiefly for human food	—	20,136
Fruits and nuts, except oil-nuts	275,637	3,883
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	1,101,194	122,686
Sugar and sugar confectionery	—	2,612,357
Coffee, tea, cocoa and preparations thereof; spices	608,827	16,800
Beverages and vinegars	—	79,721
Tobacco	—	175
Oil-seeds, nuts and kernels	—	1,289
Animal and vegetable oils, greases and waxes and their manufactures, n.e.s.	16,200	—
Chemical elements and compounds; pharmaceutical products	1,305,712	30,276
Dyeing, tanning and colouring substances (not including crude materials)	90,702	321,560
Essential oils, perfumery, cosmetics, soaps and related products	1,427	41,501
Fertilizers	24,393	—
Rubber and manufactures thereof, n.e.s.	154,334	—
Wood, cork and manufactures thereof	108,705	323,544
Pulp, paper and cardboard and manufactures thereof	192,799	11,479
Hides and skins and leather	—	30,000
Manufactures of leather, not including articles of clothing	—	12,208
Textile materials, raw or simply prepared	307,898	1,178,979
Yarns and threads	1,209,767	—
Textile fabrics and small wares	423,619	1,548,073
Special and technical textile articles	38,200	185
Clothing and underwear of textile materials; hats of all materials	39,736	1,687,355
Footwear: boots, shoes and slippers	—	31,650
Made-up articles of textile materials other than clothing	9,500	15,328
Non-metallic minerals, crude or simply prepared, n.e.s.	441,126	330,928

Pottery and other clay products	179,760	1,798
Glass and glassware	1,098	68
Manufactures of non-metallic minerals, n.e.s.	2,937	—
Precious metals and precious stones, pearls and articles made of these materials	—	141,034
Ores, slag, cinder	—	1,156,022
Iron and steel	1,957,407	929,096
Non-ferrous base metals	1,616,039	—
Manufactures of base metals, n.e.s.	287,939	299,528
Machinery, apparatus and appliances other than electrical, n.e.s.	815,201	2,300
Electrical machinery, apparatus and appliances	246,962	5,570
Vehicles and transport equipment, n.e.s.	1,581	106,652
Miscellaneous crude or simply prepared products, n.e.s.	8,130	329,792
Manufactured articles, n.e.s.	175,484	684,299
Total	12,204,142	12,096,233

KOREA, SOUTH

Articles	Imports $	Exports $
Fishery products, for food	7,600	—
Beverages and vinegars	—	12,000
Chemical elements and compounds; pharmaceutical products	—	147,446
Essential oils, perfumery, cosmetics, soaps and related products	—	8,000
Pulp, paper and cardboard and manufactures thereof	—	60
Manufactures of leather, not including articles of clothing	—	240
Textile materials, raw or simply prepared	169,560	—
Yarns and threads	—	1,265
Textile fabrics and small wares	—	90,460
Clothing and underwear of textile materials: hats of all materials	—	4,736
Footwear: boots, shoes and slippers	—	54
Manufactures of base metals, n.e.s.	—	40
Miscellaneous crude or simply prepared products, n.e.s.	1,633	12,835
Manufactured articles, n.e.s.	1,533	7,088
Total	180,326	284,224

MACAO

Articles	Imports $	Exports $
Live animals, chiefly for food	324,037	12,120
Meat and preparations thereof	6,285	33,936
Dairy products, eggs and honey	357,395	229,416
Fishery products, for food	772,853	558,733
Cereals	150	478,715
Manufactured products of cereals, chiefly for human food	16,178	333,809
Fruits and nuts, except oil-nuts	366,673	361,838
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	910,482	1,120,491
Sugar and sugar confectionery	201,454	58,568
Coffee, tea, cocoa and preparations thereof; spices	7,430	75,536
Beverages and vinegars	230,674	260,114
Feeding stuffs for animals, n.e.s.	6,370	20,118
Tobacco	87,784	2,882,991
Oil-seeds, nuts and kernels	3,300	127,648
Animal and vegetable oils, fats, greases and waxes and their manufactures, n.e.s.	1,540	239,907
Chemical elements and compounds; pharmaceutical products	1,380,159	3,477,835
Dyeing, tanning and colouring substances (not including crude materials)	6,450	1,250,444
Essential oils, perfumery, cosmetics, soaps and related products	7,420	96,341
Fertilizers	7,541	996,405
Rubber and manufactures thereof, n.e.s.	3,400	36,343
Wood, cork and manufactures thereof	229,658	298,450
Pulp, paper and cardboard and manufactures thereof	76,417	700,939
Hides and skins and leather	5,230	26,895
Manufactures of leather, not including articles of clothing	120	4,916
Textile materials, raw or simply prepared	316,000	932,686
Yarns and threads	10,000	16,888
Textile fabrics and small wares	123,820	262,760
Special and technical textile articles	32,944	32,239
Clothing and underwear of textile materials: hats of all materials	67,360	157,373
Footwear: boots, shoes and slippers	14,959	9,224
Made-up articles of textile materials other than clothing	52,737	26,732
Products for heating, lighting and power, lubricants and related products, n.e.s.	—	1,035,093
Non-metallic minerals, crude or simply prepared, n.e.s.	875	100,635
Pottery and other clay products	1,254	65,805
Glass and glassware	13,185	54,849
Manufactures of non-metallic minerals, n.e.s.	1,240	61,879
Iron and steel	750	33,769
Non-ferrous base metals	27,380	120,400
Manufactures of base metals, n.e.s.	24,158	1,113,876
Machinery, apparatus and appliances other than electrical, n.e.s.	23,200	273,186
Electrical machinery, apparatus and appliances	20,862	623,955
Vehicles and transport equipment, n.e.s.	2,122	451,788
Miscellaneous crude or simply prepared products, n.e.s.	361,963	336,531
Manufactured articles, n.e.s.	780,016	1,297,227
Total Merchandise	6,883,825	20,689,403
Gold and specie	20,632	—
Grand Total	6,904,457	20,689,403

PHILIPPINES

Articles	Imports $	Exports $
Live animals, chiefly for food	—	1,680
Meat and preparations thereof	—	31,251
Dairy products, eggs and honey	—	765,628
Fishery products, for food	—	102,123
Cereals	—	346
Manufactured products of cereals, chiefly for human food	—	179,925
Fruits and nuts, except oil-nuts	11,800	134,655

Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	—	725,620
Sugar and sugar confectionery	—	37,543
Coffee, tea, cocoa and preparations thereof; spices	—	205,642
Beverages and vinegars	—	26,626
Feeding stuffs for animals, n.e.s.	—	50
Tobacco	44,962	—
Oil-seeds, nuts and kernels	—	53,007
Animal and vegetable oils, fats, greases and waxes and their manufactures, n.e.s.	—	3,354
Chemical elements and compounds; pharmaceutical products	1,652	102,526
Dyeing, tanning and colouring substances (not including crude materials)	—	500
Essential oils, perfumery, cosmetics, soaps and related products	—	5,439
Rubber and manufactures thereof, n.e.s.	—	2,400
Wood, cork, and manufactures thereof	7,810	33,685
Pulp, paper and cardboard and manufactures thereof	—	114,040
Manufactures of leather, not including articles of clothing	—	3,819
Textile materials, raw or simply prepared	395,849	93,000
Yarns and threads	—	414,050
Textile fabrics and small wares	—	490,532
Special and technical textile articles	62,100	—
Clothing and underwear of textile materials; hats of all materials	420	124,179
Made-up articles of textile materials other than clothing	—	540
Products for heating, lighting and power, lubricants and related products, n.e.s.	99,552	—
Non-metallic minerals, crude or simply prepared, n.e.s.	—	11,165
Pottery and other clay products	—	17,912
Glass and glassware	—	24,927
Manufactures of base metals, n.e.s.	—	86,256
Machinery, apparatus and appliances other than electrical, n.e.s.	—	33,440
Electrical machinery, apparatus and appliances	—	5,000
Vehicles and transport equipment, n.e.s.	—	40,809
Miscellaneous crude or simply prepared products, n.e.s.	—	76,972
Manufactured articles, n.e.s.	11,723	112,374
Total	635,868	4,061,015

THAILAND

Articles	Imports $	Exports $
Meat and preparations thereof	—	3,425
Dairy products, eggs and honey	—	31,200
Fishery products, for food	13,200	67,292
Cereals	9,315,949	880
Manufactured products of cereals, chiefly for human food	27,600	59,845
Fruits and nuts, except oil-nuts	3,500	354,176
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	370,375	494,990
Sugar and sugar confectionery	464,287	8,649
Coffee, tea, cocoa and preparations thereof; spices	3,100	123,197
Beverages and vinegars	—	72,663
Feeding stuffs for animals, n.e.s.	32,770	2,240
Tobacco	—	16,460
Oil-seeds, nuts and kernels	1,098,524	29,822
Animal and vegetable oils, fats, greases and waxes and their manufactures, n.e.s.	1,505,364	8,285
Chemical elements and compounds; pharmaceutical products	134,788	408,340
Dyeing, tanning and colouring substances (not including crude materials)	6,300	192,006
Essential oils, perfumery, cosmetics, soaps and related products	—	88,679
Fertilizers	7,400	—
Rubber and manufactures thereof, n.e.s.	—	200
Wood, cork and manufactures thereof	640,351	16,275
Pulp, paper and cardboard and manufactures thereof	86,425	75,003
Manufactures of leather, not including articles of clothing	—	7,523
Textile materials, raw or simply prepared	104,060	—
Yarns and threads	—	343,005
Textile fabrics and small wares	—	379,755
Special and technical textile articles	—	4,890
Clothing and underwear of textile materials; hats of all materials	—	417,896
Footwear: boots, shoes and slippers	—	2,880
Made-up articles of textile materials other than clothing	—	139,555
Products for heating, lighting and power, lubricants and related products, n.e.s.	—	233,915
Non-metallic minerals, crude or simply prepared, n.e.s.	223,166	4,000
Pottery and other clay products	—	36,288
Glass and glassware	—	64,264
Manufactures of non-metallic minerals, n.e.s.	—	5,882
Precious metals and precious stones, pearls and articles made of these materials	125,500	—
Iron and steel	—	115,320
Manufactures of base metals, n.e.s.	55,400	343,998
Machinery, apparatus and appliances other than electrical, n.e.s.	18,000	3,500
Electrical machinery, apparatus and appliances	—	164,732
Vehicles and transport equipment, n.e.s.	—	22,250
Miscellaneous crude or simply prepared products, n.e.s.	554,533	140,704
Manufactured articles, n.e.s.	9,092	1,454,700
Total Merchandise	14,799,684	5,938,684
Gold and specie	—	370,200
Grand Total	14,799,684	6,308,884

U. S. A.

Articles	Imports $	Exports $
Meat and preparations thereof	67,510	7,916
Dairy products, eggs and honey	62,671	36,022

Fishery products, for food	1,584,417	121,162
Manufactured products of cereals, chiefly for human food	29,102	21,064
Fruits and nuts, except oil-nuts	3,988,447	131,757
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	303,203	255,338
Sugar and sugar confectionery	161,257	7,075
Coffee, tea, cocoa and preparations thereof; spices	190,766	13,884
Beverages and vinegars	33,095	2,437
Tobacco	2,490,991	—
Oil-seeds, nuts and kernels	—	772
Animal and vegetable oils, fats, greases and waxes and their manufactures, n.e.s.	40,536	2,165
Chemical elements and compounds; pharmaceutical products	2,736,472	780
Dyeing, tanning and colouring substances (not including crude materials)	260,419	2,988
Essential oils, perfumery, cosmetics, soaps and related products	517,745	206,000
Rubber and manufactures thereof, n.e.s.	91,131	—
Wood, cork, and manufactures thereof	178,061	142,347
Pulp, paper and cardboard and manufactures thereof	1,384,982	12,042
Hides and skins and leather	64,600	—
Manufactures of leather, not including articles of clothing	20,449	—
Furs, not made up	29,724	151,384
Textile materials, raw or simply prepared	2,300,885	32,825
Yarns and threads	3,747	—
Textile fabrics and small wares	2,645,214	497,124
Special and technical textile articles	9,088	81
Clothing and underwear of textile materials; hats of all materials	1,631,905	49,831
Footwear: boots, shoes and slippers	82,226	63,202
Made-up articles of textile materials other than clothing	48,852	—
Products for heating, lighting and power, lubricants and related products, n.e.s.	1,149,053	—
Non-metallic minerals, crude or simply prepared, n.e.s.	137	90
Pottery and other clay products	11,384	37,800
Glass and glassware	251,249	716
Manufactures of non-metallic minerals, n.e.s.	10,935	—
Precious metals and precious stones, pearls and articles made of these materials	6,500	16,957
Ores, slag, cinder	—	23,760
Iron and steel	259,850	—
Manufactures of base metals, n.e.s.	641,169	97,204
Machinery, apparatus and appliances other than electrical, n.e.s.	1,073,326	—
Electrical machinery, apparatus and appliances	278,548	35,770
Vehicles and transport equipment, n.e.s.	59,074	—
Miscellaneous crude or simply prepared products, n.e.s.	71,875	3,375,537
Manufactured articles, n.e.s.	959,299	892,403
Total	25,729,894	6,238,433

INDONESIA

Articles	Imports $	Exports $
Dairy products, eggs and honey	—	12,955
Fishery products, for food	13,537	34,901
Cereals	—	150
Manufactured products of cereals, chiefly for human food	—	15,649
Fruits and nuts, except oil-nuts	—	62,743
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	37,800	236,105
Sugar and sugar confectionery	—	11,973
Coffee, tea, cocoa and preparations thereof; spices	—	96,529
Beverages and vinegars	—	28,818
Feeding stuffs for animals, n.e.s.	—	730
Tobacco	—	107,997
Oil-seeds, nuts and kernels	—	1,000
Animal and vegetable oils, fats, greases and waxes and their manufactures, n.e.s.	439,987	202
Chemical elements and compounds; pharmaceutical products	—	799,108
Dyeing, tanning and colouring substances (not including crude materials)	17,400	74,820
Essential oils, perfumery, cosmetics, soaps and related products	—	213,554
Rubber and manufactures thereof, n.e.s.	—	1,400
Wood, cork, and manufactures thereof	—	5,950
Pulp, paper and cardboard and manufactures thereof	—	1,989,135
Hides and skins and leather	13,950	—
Yarns and threads	—	6,383,847
Textile fabrics and small wares	—	6,118,806
Special and technical textile articles	—	8,095
Clothing and underwear of textile materials; hats of all materials	—	3,473,857
Footwear: boots, shoes and slippers	—	3,720
Made-up articles of textile materials others than clothing	—	15,484
Products for heating, lighting and power, lubricants and related products, n.e.s.	3,731,609	730
Non-metallic minerals, crude or simply prepared, n.e.s.	—	560
Pottery and other clay products	—	40,500
Glass and glassware	—	75,773
Manufactures of non-metallic minerals, n.e.s.	—	40,250
Non-ferrous base metals	—	68,682
Manufactures of base metals, n.e.s.	—	2,927,856
Machinery, apparatus and appliances other than electrical, n.e.s.	16,000	17,235
Electrical machinery, apparatus and appliances	—	1,496,112
Vehicles and transport equipment, n.e.s.	—	35,576
Miscellaneous crude or simply prepared products, n.e.s.	1,278,263	239,896
Manufactured articles, n.e.s.	—	1,145,273
Total	5,548,546	25,785,971

HONGKONG COMMODITY MARKETS

REVIEW OF THE THREE WEEKS NOVEMBER 5 TO 24, 1951

The trend of the commodity markets over the past three weeks remained dull where most items were concerned, the chief exception being Cotton Yarn for which the demand continued steady. China Produce also showed some activity with buying support from exporters to Japan, Europe and India.

A feeling of pessimism in regard to the future of trade with China has been created through the institution by the mainland authorities of even stricter controls over private enterprise. Reports from Canton indicate that fresh steps are being taken with the object of curbing individual traders. Capital is to be centralised and deposited only in designated banks, and trading operations will be placed under collective management and surveillance by government-appointed agents.

On Nov. 14 a Central-South China Materials Purchasing Conference was held in Canton to consider the joint-purchasing and joint-marketing of imports. Faced with a heavy trade deficit, the mainland authorities have been endeavouring to restrict imports while at the same time promoting exports. However, the limited scope of articles permitted for export and the high floor prices fixed have served to hamper rather than help the export trade. Furthermore, the serious shortage of foreign exchange in China has cut down allocations to a minimum thereby exerting a stranglehold over trade. At the moment, local dealers see very little hope of improvement in trade with China.

Reports that allocations of foreign exchange were being made by the South China authorities for the purchase of metals have been confirmed. So far, however, this has had little effect on the market, partly owing to large stocks on hand both in Macao and Hongkong, which are ample to fill requirements, and also to the small amounts involved in the allocations and the severe discrimination as to items permitted for importation into China. The action of the Chinese authorities in closing their purchasing agency in Macao has left the Portuguese colony with little outlet apart from Hongkong, and this tends to keep prices down in Hongkong.

Paper importers in North China, anticipating foreign exchange allotments, were probing the local market. The South China Foreign Trade Bureau has already made an allocation of HK$240,000 for the purchase of paper, but the amounts granted to each individual importing firm are small and profits from their transactions are strictly limited to not more than 5%. The total allotment from South China is expected to reach HK$600,000. Apparently dealers will be required to ship the goods to Canton before the actual amount of foreign exchange is granted, thus causing a considerable time to elapse before reimbursement can be obtained in Hongkong.

A survey of the principal commodity markets over the past three weeks follows:—

COTTON YARN—Week ending Nov. 10: Cotton yarns had a good market with both foreign and domestic buyers interested. Discrepancies between buying and selling prices, however, stood in the way of heavier transactions being effected. Hongkong-made yarn, especially 20's, was particularly needed, but the supplies available failed to meet all requirements: sales of 20's were effected at $1950/$2025 per bale, Nov. forwards were quoted at $2080/$2090 and Dec. forwards at $2030/2040. Indian 32's sold at $2250 per bale. Italian 20's were transacted at $1840/$1935 per bale, 32's at $2190/$2315 per bale, and 42's at $2700 per bale. Egyptian 20's sold at $1950 per bale.

Week ending Nov. 17: The inability of mills to accept further orders as a consequence of heavy commitments, caused an invasion of the market by speculators with stocks on hand. Prices rose accordingly. A few limited transactions in Hongkong-made 10's took place at $1705 per bale, and 20's sold at the record price of $2200 and $2180 per bale with forward sales in Nov. at $2200, Dec. $2150, Jan. 1952 $2130, Feb. $2080 and March $2050 per bale. Indian 32's, with reduced stocks, rose as high as $2350/$2340 per bale. Italian 20's sold at $1940/$2000 and 32's at $2275/$2440 per bale. Egyptian 20's rose to $1970.

Week ending Nov. 24: The expected arrival shortly of Italian cotton yarn caused the speculative wave to subside. Pakistan buyers offset the withdrawal of South Korean exporters, but the inability of local mills to fill the increasing demands continued to hamper large-scale transactions. Hongkong-made 20's fell from $2190 to $2145 per bale for spot, and forward sales were effected at $2180/$2170 for Nov., $2140/$2120 Dec., $2100 Jan., $2070 Feb., $2010 March. Indian 32's were transacted at $2350 per bale. Italian yarn was dealt in at $1870 per bale for 20's and $2390/$2400 for 32's. Japanese 40's sold at $2880 per bale.

METALS—Week ending Nov. 10: A lack of buying support from China characterised the market. This, coupled with arrivals of fresh supplies from abroad, brought about a drastic reduction in prices, even in most of the popular items. In some cases prices fell below the indents. Galvd. Iron Sheets 3' x 7' fell to $12 per sheet; G24 & G26 averaged only $1.20 per lb., although G28 was firm at $1.45 per lb. Zinc Sheets remained at $480 per picul for both G5 & G6. British Tinplate 20" x 24" dropped to $380 per 200-lb. case, while the Japanese make fell to $320 per case. Japanese Charcoal Plate declined to $125 per picul.

Week ending Nov. 17: The metals market remained stagnant. Zinc Sheets with little demand fell to $470 per picul for G5 and $460 for G6. Galvd. Iron Sheets remained more or less steady, G31 3' x 7' sold at $12/$11.40; G24 & G26 were offered at $1.10 per lb. without

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creating interest. Mild Steel Plates ⅛" were quoted at $100 per picul and 3/16" sold at this price. Mild Steel Round Bars (Europe) 40 ft. ¼" sold at $62 per picul; Square Bars 20-22' ½" were transacted at $74 per picul; Angle Bars ⅛" thick ¾" sold at $82 per picul.

Week ending Nov. 24: There was little change in the market. Galvd. Iron Sheets were brisk and 3' x 7' G31 opening at $11.30/$11.60 per sheet rose finally to $11.70; mainland buyers offered $14 per sheet for G30, but sellers would not accept; G24 & G26 averaged only $1.15 per lb. without finding buyers, and G28 stood at $1.40 per lb. Mild Steel Round Bars were in demand for local constructional purposes: European 40' ⅝" to 1" rose from $53 to $55 per picul while 1⅛" & 1¼" were quoted at $57/$58 per picul; 5/16" sold at $61/$64, ¼" rose from $62 to $65, and ⅜" was quoted at $62 per picul; the Japanese make 20' 1¼" & 1½" were offered at $52 per picul. Mild Steel Plates 4' x 8' ⅛" were quoted at $100 per picul and ¼", 5/16" & ⅜" at $90 per picul. Pressure from Japanese Tinplate brought down the price of British 20" x 28" 200-lb. packing to $345 for wooden case packing and $300 for skids while the Japanese make fell to $320/$317. U.S. Black Plate 20" x 28" G31 was priced nominally at $140 per picul.

INDUSTRIAL CHEMICALS—Week ending Nov. 10: Large-scale transactions were lacking during the week, no exchange allocations having been made by the South China authorities. Several popular items dropped below cost price. Local quotations were: Dutch Sodium Hydrosulphite $500 per picul; Japanese Calcium Hypochloride 60% 55 cents per lb.; Japanese Rubber Accelerator $10 per lb.; Dutch Lithopone 30% 80 cents per lb.; British and Dutch Glycerine $3.80 per lb. (indent price $4 per lb. c.i.f. HK); Dinitrochlorobenzene $2.30 per lb. (indent price $2.80); German Zinc Oxide 99% $1.45 per lb.

Week ending Nov. 17: German Carbon Black was quoted nominally at $830 per case of 145½ lbs.; Dutch Sodium Hydrosulphite fell to $440 per picul; German Amber Vaseline stood nominally at 82 cents per lb. Purchases by exporters to Taiwan and Korea brought the price of Soda Ash up to $35.50 per bag of 90 kilos, while Crescent Caustic Soda rose to $377 per drum of 300 kilos and the U.S. product to $360 per 700-lb. drum.

Week ending Nov. 24: After starting briskly with a number of transactions, the industrial chemicals market subsided, waiting for the foreign exchange allocations by the Canton authorities which seem slow in materialising. Dutch Sodium Hydrosulphite sold at $420 per picul and the German product in 60-kg. drum sold at $500/$530 per picul, the 100-kg. drum selling at $470 per picul. Caustic Soda recovered firmness with sales to South Korean dealers, the British product selling at $375 per drum and the U.S. 700-lb. product being transacted at $360/$355 per drum. Sodium Bicarbonate in 100-kg. bags sold at $53/$54 per bag. German Carbon Black 145½-lb. case was traded at $800/$780 per case. Quebracho Extract had a few transactions at $1.27 per lb. Belgian Lithopone 30% changed hands at 68 cents per lb.

PAPER—Week ending Nov. 10: Orders received from North China aroused hopes of future improvement in the paper situation. Little immediate change, however, was apparent on the local market. Transactions were effected in the following: Bond Paper, white, watermarked, 22" x 34" 32 lbs. $44.30 per ream and unwatermarked $42.50 per ream; M. G. Sulphite Paper 47 lbs., brown, $68/$70 per ream; Belgian Cellophane Paper 36 x 39" $140 per ream and the Japanese specification $97/$106 per ream; M.G. Pure Sulphite 30 x 40" $26 per ream; M.G. Cap 17½ lbs., white, $18.30/$18.50 per ream; Japanese Newsprint in sheets 31 x 43" 50 lbs., $39 per ream; Woodfree Printing, Swedish, 57-60 lbs. $1.47 per lb. and 65-70 lbs. $1.45 per lb., Dutch, Czech & Austrian 57-60 lbs. $1.42 per lb., Japanese white 60-100 lbs. $1.25/$1.30 per lb.

Week ending Nov. 17: The market became depressed as a consequence of the decision of the Scandinavian Paper Manufacturers' Association not to readjust indent prices, coupled with continued arrivals from Europe. Exporters to Indonesia and Taiwan were in the market to a limited extent. Japanese Cellophane 36 x 39" fell to $95 per ream for small transactions and $97 for large quantities. Finnish Duplex Board sold at $250 per ream for 240 lbs. and $246 for 255 lbs., while Japanese 240 lbs. was transacted at 80 cents per lb. and 220 lbs. at 78 cents. M.G. Sulphite Paper, white, 40 lbs. 35 x 47" sold at $54 per ream and 47 lbs. at $58. M.G. Cap 17½ lbs. white fell to $18.20/$18.30 per ream. Newsprint in roll 52 gr. 31" declined to 85 cents per lb. and the Norwegian make sold at 86 cents.

Week ending Nov. 24: Trading on the paper market was fairly brisk during the week, but prices showed a decline with the conclusion of purchases for South Korea. Austrian & Finnish Woodfree Printing 57-70 lbs. 31 x 43 was offered by sellers at $1.42/$1.44 per lb.; Norwegian 80 lbs. 31 x 43 was transacted at $1.47/$1.50 per lb. for Dec. forward. Newsprint in roll Norwegian 31" 52-gr. sold for spot at 87/85 cents per lb.; Dec. forward was transacted at 82 cents per lb. Newsprint in ream Japanese 50-lb. 31 x 43 sold at $38 50, but sales were also effected at $35 per ream: European 50-lb. 31 x 43 fell to $43/$44 per ream. M.G. Pure Sulphite was in demand, large quantities being hard to find, and sellers increased the price to $27 per ream, while the Norwegian & Swedish products were transacted at $24.20/$24.50 per ream for mid-Dec.

CHINA PRODUCE—Week ending Nov. 10: With the exception of Aniseed Oil, vegetable oils had a quiet market. Woodoil (Tung Oil) remained steady at $249 per picul for processed quality in bulk, the European buying offer c. & f. being as low as £272/£275 per long ton as compared with the Hongkong quotation of £279. Teaseed Oil fell to $180 per picul, with the European buying offer at £195 per ton. Cassia Oil, with few sales, was quoted at $1500 per picul and export quality at $1700 per picul f.o.b. Aniseed Oil, however, with brisk sales rose to $880 per picul. Indian exporters were active with purchases of Cassia Lignea, the 80-lb. bale selling for $90 per picul. Aniseed Star, with reduced stocks, rose from $210 to $215 per picul. Green Ramie, though lacking large transactions, stood at $295 per picul for 1st qual.; White Ramie 1st qual. was quoted at $305 per picul. Gallnuts, unprocessed qual., sold at $104 per picul and export qual. declined from $115 to $112 per picul. Feathers were in demand for the U.S.A.: Duck Feathers 85% rose to US$1.58 per lb., while Hongkong unprocessed Feathers 65% rose to $900 per picul.

Week ending Nov. 17: European buyers were in the market to the extent of 100 long tons of Woodoil (Tung Oil) forwards at the price of £276, while

YANGTSZE FINANCE COMPANY, LIMITED.

NOTICE is hereby given that the Annual General Meeting of Shareholders will be held at the Registered Office of the Company, 701/7 Edinburgh House, Hong Kong, on Wednesday, 12th December, 1951, at 10.00 a.m. for the following purposes:—

1. To receive and consider the Directors' Report and Statement of Accounts for the year ended 31st March, 1951.
2. To declare a dividend.
3. To elect Directors.
4. To appoint Auditors.
5. To transact any other ordinary business of the Company.

The Transfer Books of the Company will be closed from the 28th November to 12th December, 1951, both days inclusive.

By Order of the Board of Directors,

WHEELOCK MARDEN & COMPANY, LIMITED.
Secretaries & General Managers.

Hongkong, 8th Nov. 1951.

sales locally were made at $249 per picul. Sales of Teaseed Oil were also made to European buyers at £195 per ton, the local market price standing nominally at $180 per picul. Aniseed Oil sold at $850/$870 per picul. Rapeseed Oil was quoted nominally at $170 and Soyabean Oil at $155 per picul, but lack of supplies prevented acceptance of orders from abroad. Cassia Lignea continued to be in demand by exporters to India, the 80-lb. bale selling at $90 per picul. Hankow Gallnuts, 2nd qual. sold at $100 per picul, export qual. being quoted at $18. Honan Aniseed Star 1st qual. was transacted at $230 per picul. Kwangtung small filature Raw Silk sold at $2950/$2975 per picul.

Week ending Nov. 24: The vegetable oils market remained dull. The European price offer for Wood Oil (Tung Oil) ranged from £270 to £275 per long ton c. & f., but local exporters maintained the price of £279; sales on the local market were effected at $245/$242 per picul although nominal quotations stood at $249. Teaseed Oil sold at £195 per long ton c.i.f. Europe; the price on the local market was $172 per picul for 5% f.f.a. and $178 for 3% f.f.a. Aniseed Oil, unprocessed, was transacted at $825/$850 per picul while export quality ranged from $840/$865 per picul f.o.b. Cassia Oil, export qual., sold at $1750 per picul. Indian exporters were still active purchasing Cassia Lignea at $90 for the 80-lb. bale; the 1-cwt. bale sold to European exporters at $93 per picul. Aniseed Star sold at $245 per picul. Gallnuts, unprocessed, were nominally quoted at $100 per picul. while export qual. was transacted at $108. Some transactions took place in Kwangtung Raw Silk; coarse quality was quoted at prices ranging from $2520 to $2600 per picul.

* * *

FRENCH TRADE ENQUIRY

The following trade enquiry has been received from the office of the French Commercial Counsellor:

F. Desbaillets, 41 Boulevard de Latour-Maubourg, Paris (7e). Cable Address: Fredesbail, Paris. Importer-Exporter. Commercial Representatives. Commission Agents. Specializing in all kinds of Textiles. Good references.

* * *

THE SUNGEI DURI RUBBER ESTATE LTD.

At the Thirty-seventh Ordinary General Meeting of The Sungei Duri Rubber Estate Ltd., a final dividend of $7.50 per share, free of tax, was declared. This made a total dividend for the year of $10.50.

The Company made a profit of $597,563 during the year after charging up-keep of replanting of $70,284 to the Profit and Loss Account and making a provision for Malayan income tax of $242,866. The output for the year, which was higher than the previous one, was only 2,500 lbs. below the estimate.

At an extraordinary general meeting held later it was agreed that "Each of the existing £1 shares of the Company be divided into ten shares of two shillings each and that the existing capital of the company be £40,000 divided into 400,000 shares of two shillings each."

HONGKONG CONTROLLED SALES

Instructions Amended November 21, 1951

The H.K. Dept. of Commerce & Industry on the advice of the Trade Advisory Committee has approved, under date of Nov. 21, 1951, Amended Instructions governing the Method of Control in respect of such items on the H.K. Prohibited Import List as justify the issuance of Essential Supplies Certificates for controlled sales within the Colony.

Category (A)

Quantity (See Method of Control (g))	Commodity
1.	Avometers including Voltmeters and Ammeters.
25.	Ball and Roller Bearings, (In addition actual representatives of motor vehicle manufacturing firms will be permitted to import on the condition that the Bearings so imported are for use in servicing actual motor vehicles).
60 lbs.	Bare Copper Wire 14 SWG for use as Earth Wire. (All other Bare Copper Conductors to be imported only against a statutory declaration by end-user).
Not in excess of normal requirements.	Cutting Torches (Oxygen Regulators and Spares including Oxygen and Acetylene Cylinders).
1.	Dynamos.
Not in excess of normal requirements.	Diesel Engine Spare Parts.
3,000 yds.	Electric Wires and Cables for working pressures not exceeding 660 volts, having single, twin or triple copper conductors, rubber or plastic insulated, with or without textile braiding, metal sheathing, tough rubber or other plastic sheathing with or without earth continuity conductor and of a copper cross sectional area of any one conductor not exceeding 0.3 sq. in. (37/.103) (Cables with conductors above 0.3 sq. in. will be subject to end-user certificates).
3,000 yds.	Electric Flexible Wires and Cables for working pressures not exceeding 250 volts, having single, twin or triple copper conductors, rubber or plastic insulation, with or without textile braiding or tough rubber or other plastic sheathing and of a copper cross sectional area of any one conductor not exceeding 0.01 sq. in.
Not in excess of normal requirements.	Fire Extinguisher Refills.
1 motor	Fractional H.P. Motors of all types and Squirrel Cage Motors up to and including 50 H.P. (All other motors are subject to end-user declarations).
6.	Grinding Wheels.
3.	Small Electric Bench Grinders (excluding large electric Grinding Machines for which end-user statutory declarations are required).
Not in excess of normal requirements.	Hearing Aid Accessories.
10 lbs.	High Quality High Speed Steel in the form of Tool Bits, i.e., 18% Tungsten and over Tool Bits.
28 lbs.	Insulating Compounds.
200 lbs.	Low Quality High Speed Steel under 18% Tungsten.
1.	Megger Testers.
1 doz. each size.	Metal Working Tools.
2.	Micrometers.
Not in excess of normal requirements.	All Photographic Materials excluding cameras (to Photographic Studios and Photographic Shops only) U.S.A. & Japan requirements only).
3 cwt.	Ordinary Quality Plain Carbon Tool Steel for general purposes.
5 to 10 gauge—20 lbs. All other sizes — 10 lbs.	Piano Wire.
1.	Portable Hand-held Electric and Pneumatic Tools.
In accordance with Doctors' prescription.	Anti Biotics, including Sulfa & Anti-malarial Drugs. (to Druggists, Pharmacies, Doctors and Hospitals only).
Not in excess of normal requirements.	Other Pharmaceuticals. (U.S.A. requirements only).
Not in excess of normal repair requirements per set.	Radio Valves.
— do —	Radio Spare Parts including Loudspeakers.
— do —	Public Address Equipment Spare Parts.
8.	Spark Plugs.
Not in excess of normal repair requirements per vehicle.	Spare Parts for Motor Vehicles.
10 lbs.	Welding Rods, all types.
100 lbs.	Welding Electrodes, all types.
8-15 SWG—10 lbs. 16-28 ,, — 5 lbs. 29-36 ,, — 2 lbs. 37-42 ,, — 1 lb.	Winding Wires — limited quantities having enamel or textile insulation between Gauges 8 SWG & 42 SWG (all other sizes subject to end-user declarations).

Method Of Control

Essential Supplies Certificates will be issued in respect of reasonable quantities to all importers who are Sole or Joint Agents provided that:—

(a) Importers register their Sole Agency with the Department of Commerce & Industry;

NOTICE

SANDAKAN LIGHT & POWER COMPANY (1922) LIMITED

NOTICE IS HEREBY GIVEN that the 25th Ordinary Yearly Meeting of the Shareholders will be held at the offices of The Union Trading Co., Ltd., York Building, Hong Kong, on Saturday, 8th December, 1951, at 12 Noon, for the purpose of receiving a Report and Statement of Accounts for the year ended 30th June, 1951, electing Directors and appointing Auditors.

By Order of the Board,
A. D. LEARMONTH
Secretary.

Hong Kong, 22nd Nov., 1951.

(b) Importers sign general statutory declarations agreeing to control the sales of all future shipments of a specific commodity in accordance with the instructions of the Department of Commerce & Industry and also agreeing not to sell to other than registered and approved dealers without the approval of the Department;

(c) Importers may, in addition make large sales to bona-fide Hong Kong consumers, provided each such sale is covered by a statutory declaration and received the approval of the Department of Commerce & Industry before it is made;

(d) Importers will not dispose of stocks other than in accordance with (b) & (c) above;

(e) Importers will report arrival and distribution of such controlled goods;

(f) Importers will maintain proper records of receipt and distribution of goods and make such records available to the Department of Commerce & Industry if so required;

(g) Registered and approved dealers will sign statutory declarations agreeing to limit sales of all goods concerned in small quantities (see Quantity Column) to bonafide Hong Kong consumers who are not other dealers;

(h) Dealers will make no bulk sales without first obtaining a statutory declaration from the buyer i.e. contractor, factory etc. and receiving the approval of the Department of Commerce & Industry before making each sale;

(i) Dealers will report to the Department of Commerce & Industry receipt of all goods in this category received on and after date of completion of statutory declarations in respect of these goods;

(j) Dealers will report all sales of goods in this category to the Department of Commerce & Industry at the end of each month and where possible forward such reports through their own Associations and/or Unions;

(k) Dealers will maintain proper records of receipts and sales for periodical inspection by the Department of Commerce & Industry.

Category (B)

Not in excess of normal requirements.	Abrasives. (excluding Emery Cloth, Paper, Powder & Grain & Sand Paper which are not subject to control).
— do —	Asbestos (other than corrugated and compressed Fibre Jointing in sheets).
— do —	Battery Charger Spare Parts.
10 cwt.	Black Steel Sheets and Mild Steel Sheets (18 to 26 inclusive, all other gauges, end-user declarations).
Not in excess of normal requirements per vehicle.	Brakes and other Motor Accessories.
1 picul.	Bright Wire.
In accordance with Doctors' prescription.	Dried Human Plasma.
1 ton.	Galvanized Iron Sheets.
1 picul.	Galvanized Wire.
1 picul.	Galvanized Tinned & Annealed Wire Shorts.
2	Glass Cutters (diamond tipped).
1 doz.	Gunmetal Valves & Fittings.
Not in excess of normal requirements.	Perspex Sheets & Offcuts.
1,000 yds.	Pipes including Conduits.
Not in excess of normal requirements.	Refrigerants.
— do —	Spirals and Iron Elements (including Water Heater Elements).
3.	Steam Pressure and Vacuum Gauges.
Not in excess of normal requirements.	Timber (timber merchants and end-users only).
1 ton.	Iron and Steel Hoops.
10 tons.	Iron and Steel Rods, Light Angles and Bars. (Excluding Reinforcing Bars & Girders for constructional purposes).
600 lbs.	Zinc Sheets (Zinc gauge: 8 & over only).

Method Of Control

Similar to Category (A) in all respects, except that the issue of Essential Supplies Certificates will NOT be confined to brands for which there are Sole Agents.

Category (C)

	Batteries Chargers.
	Coil Winders.
	Concrete Reinforcing Fabric.
	Diesel Engines.
	Electric Bench Drilling Machines.
	Gyro Compasses.
	Gyro Compass Repeaters.
	Motor Vehicles.
	Motor-car Batteries.
	Out Board Motors.
	Public Address Equipment.
	Rubber Tyres and Tubes.
	Theodolites.
	Weldmesh.

Method Of Control

Similar to Category (A) above, but all sales to be controlled unit by unit with prior approval in each case of the Department of Commerce & Industry.

Category (D)

1	Air - Conditioners (small) (U.S.A. & Japan requirements only).
1	Air-Circulators (,,).
1	Binoculars
1	Calculators (,,).
1	Cash Registers (,,).
1	Dehumidifiers (,,).
1	Dictaphones
1	Domestic Pumps
1	Exhaust Fans
1	Freezers (U.S.A. & Japan requirements only).
1	Refrigerators (,,).
1	Shallow Well Pumps
1	Semi Rotary Pumps
1	Telescopes
1	Typewriters (U.S.A., Canada & Japan requirements only).
1	Wire and Tape Recorders.

Method Of Control

Similar to Category (A) in all respects, except that sales will be allowed through approved retailers instead of dealers provided that such retail sales are restricted to one per bona-fide Hong Kong consumer.

Category (E)

10,000.	Machine Knitting Needles.
1 Carboy.	Acetic Acid.
	*Rubber Accelerators.
28 lbs.	Sodium Cyanide.
1 ton.	Titanium Dioxide.
2 tons.	Zinc Oxide.

Method Of Control

Importers will be permitted to import for stock purposes provided they agree to make direct sales in small lots to approved factories and report such sales each month to the Department, *(except in the case of Rubber Accelerators where prior approval of the Department must be obtained before sales are made). No bulk sales will be permitted except where end-user statutory declarations are submitted for prior approval in each case. Not confined to brands for which there are Sole Agents.

Category (F)

3 cwt.	Alloy Tool Steel.
3 cwt.	High Quality Carbon Steel.
Not in excess of normal office requirements.	Inter-office Communication Equipment.
200 lbs.	Special Quality High Speed Steel Bars 18% Tungsten or over.
3.	Special Tools, i.e. Turning Tools tipped or made of Tungsten Carbide.
Not in excess of known requirements.	Steel Windows.
1	Twist Drills made of or tipped with cemented or sintered metallic carbides (hard metal) or tipped with diamond.
Not in excess of known requirements.	*Zinc Plates for Boilers.
	* (Not confined to Sole Agents).

Method Of Control

Similar to Category (A) except that sales will NOT be permitted through dealers. Sole Agents only will be permitted to carry stocks and retail goods concerned to approved factories, end-users, etc.

Category (G)

1 coil.	Wire Ropes.

Method Of Control

Sales will be strictly limited through Sole Agents only. No sales will be permitted except where end-users statutory declarations are submitted for prior approval in each case. Sales made to vessels will only be permitted provided such sales are supported by declarations completed by shipping agents. No ship's Captains or Compradores will be permitted to purchase direct from Importers.

N.B.

All other Strategic Items not listed above are under strict control and may only be imported under Essential Supplies Certificates against prior sales to local consumers.

Notes

(a) These instructions apply to all goods imported under Essential Supplies Certificates issued for controlled sales.

(b) Lists of approved dealers will be supplied to importers concerned after such dealers have signed General Statutory Declarations agreeing to abide by these instructions and deliveries to dealers **must not be made** until importers are so authorized.

(c) Importers are allowed to make direct sales to bona-fide end-users, provided such sales are not in excess of quantities shown against each item, and provided importers comply with the special instructions applicable in respect of certain items as shown in "Method of Control."

(d) Importers who have not already done so should produce evidence of sole agencies to the Department of Commerce & Industry.

(e) Additions and alterations to the lists may be made from time to time as necessary and importers and dealers concerned will be advised accordingly.

(f) Where Essential Supplies Certificates have been issued and orders are subsequently cancelled, importers must notify the Department of Commerce & Industry in all such cases and return certificates for cancellation, otherwise subsequent applications will be refused.

(g) Importers and dealers should seek advice from the Economic Administration Office on the 2nd floor of the Fire Brigade Building in all cases of doubt.

Warning

All Importers and Dealers are warned that failure to report arrivals and sales of goods imported under Essential Supplies Certificates promptly at the end of each month may result in their names being deleted from the approved Lists. This matter should be given immediate attention where firms have so far failed to render the necessary returns.

DIABETES, WHY WORRY?

When D. T. Lim's Diabetes Herb Tea can give you speedy relief. Get your Herb-Tea by your side and eat what you like, when you like.

D. T. LIM & CO.,
24, Prinsep Street, Singapore, 7.
Tel. Add: "LIMSEP" S'PORE

The Philippine Timber Industry

During the last 50 years the Philippine timber and lumber industry had a remarkable growth and development. The production showed generally a steady upward climb, interrupted only by universal economic depressions and by the last war—factors which are beyond the control of the industry. In 1900 when the Bureau of Forestry was first organized under the American regime, operations in the Philippines were confined solely to the crude and slow methods of hand and animal logging. Yarding logs by donkey engine was entirely unknown. Similarly, all lumber marketed was practically whipsawn, as opposed to mill sawn, for there were only very few small obsolete mills in operation then and these were located mostly in the City of Manila. There was thus little or no Philippine timber and lumber industry to speak of at the time, despite the great timber resources of the country..

The development of the vast timber wealth of the Philippines was among the first big problems that confronted the Bureau of Forestry upon its organization. Very little information on Philippine forests was then available. Accordingly, the Bureau immediately carried on reconnaissances of forest areas, made identification of timber species and conducted tests on the strength, durability and other properties of the different woods. As a result of the basic information thus gathered big capital became interested in the lumber industry and development of big blocks of timber followed. Timber production grew from 46,398,960 board feet in 1902 to 1,032,686,891 board feet in 1940. Likewise, lumber production showed remarkable growth, increasing from 94,-828,897 board feet in 1920 to 348,836,846 board feet in 1941. This rapid development of the timber and lumber industry was made possible by the introduction of power logging methods and band mills.

The steady progress of the industry was interrupted by the war. There were before the war, all told, 163 saw-mills some of which were among the most modern band mills, with an aggregate daily capacity of 1,693,000 board feet, representing an investment of P46,272,000. Practically all these mills were destroyed during the war. Although some of the pre-war mills have not yet been fully rehabilitated, the total daily capacity of the mills now in existence exceeds that before the war. As of June 30, 1950, there were a total of 455 saw-mills with an aggregate rated daily capacity of 2,925,-000 board feet, representing an investment of P53,800,000. The ownership of this investment is represented by various nationalities as follows: Filipinos owned or controlled 76 per cent or P40,826,967; Chinese 14 per cent or P7.513,730; Americans 9 per cent or P4,903,500; Spanish 6 per cent or P347,000; and British 6 per cent or P300,000.

Present timber and lumber production already exceeds that before the war. For the fiscal year 1949-1950. the total timber cut amounted to 1,078,759.168 board feet as compared with 1,032,686 891 board feet in 1940-1941, or an increase of 4.3 per cent. Production of sawn lumber showed much bigger increase. Lumber output for the same period aggregated 516,225,797 board feet as against 348,876,846 board feet in 1949-1941, or an increase of almost 50 per cent.

The use, after liberation, of the truck and tractor in logging operations has contributed greatly to the increase in timber production. With these new logging methods numerous stands of timber which could not be profitably tapped by logging railroads were made accessible at reasonable cost to many timber producers. The timber and lumber industry is probably among the few, if not the only one, of the major industries in the Philippines that has already been fully rehabilitated.

During the early American administration, there was little or no timber or lumber exportation. This was due, in the first place, to the fact that there were at the time only a few small and obsolete mills and no big timber operators and in the second place to the lack of knowledge, both here and abroad, of the fine qualities of Philippine mahogany, which constitutes the great bulk of the standing timber of the Philippines. It was not until 1910 when considerable exportation of this Philippine wood began, principally to the United States, the total exports during that year amounted to 1,376,400 board feet. Since then Philippine lumber and timber exports rose steadily, except during periods of universal depression, so that for the fiscal year ending June 30, 1941, timber and lumber shipments abroad aggregated 188,989,433 board feet.

During the last world war, the islands' timber and lumber export trade was interrupted. Also, for about three years subsequent to the liberation in 1945, there was no lumber and timber shipment abroad as the government placed an export ban on these products during that period. However, exportation was resumed in 1948 when the ban was partially lifted. There were 14,512,280 board feet of timber exported during that year. In June, 1948, the export ban was completely lifted and as a result total lumber and timber exports rose to 65,758,733 board feet for the fiscal year ending June 30, 1950.

The bulk of lumber export goes to the United States, taking in 53 per cent of the total and 41 per cent of the total log exports during the fiscal year ending June 30, 1950. Japan is now the principal consumer of Philippine logs, thus regaining its pre-war position as chief importer of this product. Other markets for Philippine logs and sawn lumber at present are: Formosa, South Africa, Hawaii, Canada, Ireland, Guam, Jamaica, Belgium and Spain.

The Philippine has a standing timber of 464 billion board feet. The great bulk is composed of Philippine mahogany and other species of the same group, well known in foreign markets. The capacity of this enormous timber stock is far from being fully utilized. At present rate of cutting, it has been estimated that only about one seventh of the sustained yield of this timber is being used. In other words, the present cut could be increased seven times without depleting the stock. Philippine mahogany has a world market. It is fast regaining its pre-war position, which is proof that Philippine wood can hold its own even in highly competitive markets. At present Philippine logs and sawn lumber are being shipped abroad as fast as they are cut and properly prepared. It is significant that even ordinary sawn logs and common lumber now find acceptance among many foreign buyers.

There is one stumbing block for a more rapid development of the industry and that is, the inadequacy of capital. A great deal of export business is being lost simply because of the inability of many producers to make deliveries on time or to produce enough, either logs or sawn lumber.

新華信託儲蓄商業銀行
SIN HUA Trust, Savings & Commercial Bank, Ltd.
(Incorporated in China, 1914)
Hongkong Branch: Marina House
Tel: 32111, 31221—31222.

EASTERN ASIA NAVIGATION CO., LTD.

NOTICE is hereby given that the Annual General Meeting of Shareholders will be held at the Registered Office of the Company, 701/7 Edinburgh House, Hong Kong, on Wednesday, 12th December, 1951, at 10.30 a.m. for the following purposes:

1. To receive and consider the Directors' Report and Statement of Accounts for year ended 31st December, 1951.
2. To declare a Dividend.
3. To elect Directors.
4. To appoint Auditors.
5. To transact any other ordinary business of the Company.

The Transfer Books of the Company will be closed from the 28th November to 12th December, 1951, both days inclusive.

By Order of the Board of Directors,
WHEELOCK MARDEN & COMPANY, LIMITED.
Secretaries & General Managers

Hongkong, 8th Nov., 1951.

HONGKONG EXCHANGE & GOLD MARKETS

Review for the week November 19—24:

GOLD:— Highest & lowest .945 fine tael prices $330—324⅞. Macao and Canton .99 fine tael prices resp. $342¾—338⅛ and $340—336. Day-to-day high and low: $330—328; 329⅞—328¼; 329¼—326⅛; 329¼—326⅜; 328¾—325⅜; 326⅝—324⅞. Week's opening 329½, closing 326⅜. Crossrates US$41.78—41.36. Cif Macao contracts were concluded at 41.67—41.47; contracts totaled 20,800 ozs.

There was a decline in rates as peace prospects were brighter all over the world, esp. in Korea. World market rates dropped. Operators were slow in taking oversold positions. Exporters were encouraged by good margins and successful escapes from searches. The undertone was however not weak. Import prices are now slightly higher than market quotations which should result in a firm trend here. Local calculations are based on world rates plus the Macao duty and the usual squeeze there, and freight & insurance. The men behind the scenes in Macao, cheered by the local govt's refusal to permit bullion imports, are unrelenting in their squeeze demand—which has brought them great fortunes invested to some extent in the US, in Portugal, in Portuguese Africa, in Hongkong and also in Macao.

Change over interest totaled $1.14 per 10 taels in favor of sellers; the increase of trading stock was responsible for the higher amount. Tradings totaled 181,200 taels or a daily average of 30,200. Positions taken figured at 91,500 taels per day, importers being sellers while speculators were buyers; the Swatow group was the biggest bull. Cash bars: 35,080 taels of which 11,980 officially listed, 23,100 privately arranged. Exports totaled 27,500 taels of which 14,500 shipped to Bangkok, 12,000 to Singapore, 1000 to Indochina. No interference by search parties was reported. Imports totaled 30,000 taels most of which from Macao, a small lot from North China. Macao arrivals totaled 32,000 ozs, all from Europe. Export bar differences amounted to $19.80—18.50 and $15.60—15 resp. for local and Macao .99 fine bars. Local ornamental trade had small business; supply and demand of local sellers and buyers was in balance. Slack buying is caused by slump in trade.

SILVER:— Prices per tael $6.37—6.36, per dollar coin 4.06—4.05, per small coins 3.15. Sales: 3000 taels, 12,000 dollar coins, small lot of 20 cent coins. Undertone steady, business uninteresting.

Trade in October:— As per official records Hongkong imported silver in bars from Macao 211,051 ozs valued at $908,729, and 1,042,638 ozs in coins valued at $3,570,600, a total of $4,479,329. Hongkong exported 251,757 ozs in bars valued $1,317,106 to the U.K. and another 926,566 ozs valued $4,781,141 in coins also to the U.K. Further, 211,840 ozs valued $864,000 were exported to Thailand, in form of bars, and 5 ozs in coins valued $25 were sent to Switzerland. Total value of exports in October $6,962,272. The very large imports and subsequently re-exports did not concern the market as the transaction was concluded between a supplier and a local exporting firm, leading in bullion business. Macao obtained its supply largely from China semi-officially and through private channels; it was also stated that some silver held by the Macao govt. since the war years when Japan was exercising some measure of control, though indirectly, on the Macao officials, had now been considered superfluous and therefore offered for sale to London. Significant is the fact that the total quantity of imports of 1,253,689 valued over $4.4 million while the slightly higher quantity of exports viz. 1,390,768 valued almost $7 million. Profits must have been considerable in these October transactions.

US$:— Highest & lowest US note rates $685½—681¾, DD 686—682½, TT 689—685. Day-to-day TT rates: $689—687½; 688¾—687; 686½—685; 688—685; 689—686; 687¾—686½. Sales: TT US$1¼ million, DD 437,000, notes 450,000.

Offers from Bangkok and smaller ones from Formosa were well absorbed by gold importers and general merchants. Market was quiet but undertone was steady. There is a potential scarcity in US$ supply which should firm up rates unless sterling on free markets regains some ground and confidence lost in autumn.

BANKNOTES AND DD:— Rates on Bangkok $.305—.304, on Manila 2.24—2.23, on Singapore 1.86—1.85. Sales: 3 million baht, 115,000 pesos, Mal.$2 m.

Banknote rates in HK$: London 15.62—15.58, Australia 12.45—12.42, New Zealand 13.90, Egypt 13.20, S. Africa 15.65—15.50, India 1.17—1.167, Ceylon 1, Malaya 1.81—1.808, Canada 6.455—6.44, Manila 2.275—2.255, Macao 1.18—1.17, Saigon .1365—.134, Bangkok .303, Jakarta .394—.392.

CHINESE EXCHANGES:— Taiwan yuan quoted here $2550—2400 per 10,000, sales 2 million yuan. Gold and US$ exchange with Taipeh resp. 99½—99 & 98½—97½.

People's Bank yuan quoted, notes $162—150 per one million, DD Canton & Amoy resp. 198½—197 & 204—188. Sales 70 million notes, 225 m. Canton, 315 m. Amoy. Canton exchange in HK$ quoted 91—90, sales $10,000. Shanghai gold and US$ transfer resp. 84½—83½ & 83½—82½. Amoy remittances in US$ quoted per US$ at HK$6.12—6.10.

Speculation about PBY future continues; there are pessimists who predict devaluation and there are optimists who seeing the change of outlook in Korea predict a gradual normalisation of China's economy now so much pressed by the exigencies of warfare. The Nationalists are grieved by the prospects of peace in Korea—interpreting them as consolidation of Peking's power. The communists appear very confident that after having challenged the US and the UN they may now return to more peaceful pursuits and devote their energies to the industrialisation of their People's republic. Settlement in Korea should result in PBY's successful comeback.

NOTICE

CHINA LIGHT & POWER COMPANY LIMITED

Notice To Shareholders

Notice is hereby given that the Directors of the China Light & Power Co., Ltd. intend to recommend at the Annual General Meeting a final dividend of 60 cents per share, free of tax, on fully paid shares in respect of the year ended 30th September, 1951.

Dividends will be paid on a pro rata basis in respect of partly paid or bonus shares.

By Order of the Board of Directors.

P. W. A. WOOD,
Secretary & Chief Accountant.

Hongkong, 20th Nov., 1951.

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